

Sustainability Data Book 2021



Editorial Note / Contents

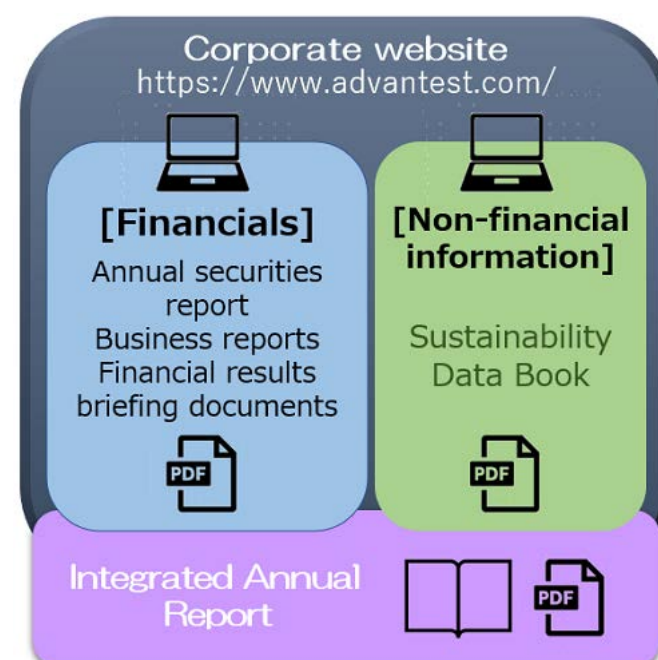
Editorial Note

The "Sustainability Data Book 2021" reports the results of the first mid-term management plan (2018 to 2020) as well as our approach and initiatives for E (environment), S (society), and G (governance) sustainability in our second mid-term management plan (2021 to 2023).

Care has been taken to use plain language in this data book as a tool for communicating with stakeholders. We refer to the GRI standards along with other guidelines to offer a more comprehensive summary of our activities. Due to climate changes, going forward starting with this data book, we are disclosing information in accordance with the "Task Force on Climate-related Financial Disclosures (TCFD)."

Relationship with the Integrated Annual Report

Advantest positions our Integrated Annual Report" as a "One-stop Handbook" for disclosing our corporate value from financial and non-financial perspectives. The Sustainability Data Book is an appendix to the Integrated Annual Report, compiled with the aim of providing a comprehensive and detailed report on information related to ESG.



About information disclosure

Scope of the Report

Period covered	April 1, 2020 to March 31, 2021 Some past initiatives and recent activities are also included to aid in content comprehension.
Target organizations	Advantest Corporation and its major domestic and overseas consolidated subsidiaries
Issuance	Issued in November 2021 as an annual report

Guidelines Referenced

- Global Reporting Initiative's Sustainability Reporting Standards
- U.S. Sustainability Accounting Standards Board SASB Standards
- ISO26000 Guidelines
- Ten Principles of the United Nations Global Compact
- Ministry of the Environment of Japan, "Environmental Reporting Guidelines 2018"

Third-party Assurance

Third-party assurance has been obtained from KPMG AZSA Sustainability Co., Ltd. to ensure increased reliability of selected social and environmental performance indicators included in this data book.

Contact Information

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ESG Promotion Office

- Send comments by email to: PDL-AT-csrsuishin@advantest.com
- Send comments by fax to: +81-276-84-1150

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Advantest's Sustainability

Message from Advantest's Director of Sustainable Management

Towards a "safe, secure, and comfortable society"

In recent years, a series of issues that have been throwing a shadow over society's sustainability have come to light, such as climate change, human rights, and the depletion of resources. Moreover, the outbreak of the COVID-19 pandemic has surfaced various issues, urging the world to implement solutions. These events have also prompted us to reflect upon ourselves to consider which challenges to address as a company. We are now responding to increased demand for semiconductors for datacenters, personal computers, and smartphones resulting from the dramatic increase in telework, online learning, and other activities around the world, implementing thorough COVID-19 infection prevention measures across our locations, and remotely providing maintenance and support services, etc., all while focusing on providing products and services to customers and ensuring employee safety by increasing telework to ensure the sustainability of our business activities.

The following are our ESG initiatives from the First Medium-Term Management Plan (MTP1) for the three fiscal years from FY2018 through FY2020.

As for the "E," the environmental aspect of ESG, we set a long-term CO₂ emissions reduction goal, declared our support for the TCFD recommendations, joined the RE100, and have been pushing to adopt renewable energy, which accounted for 44% of company-wide total energy consumption as of FY2020. As for the "S," the social aspect of ESG, we have donated to medical institutions treating COVID-19 patients around the world, and we have improved our employees' working styles and working environments. As initiatives for the "G," or governance aspect, we revised the Advantest Way, issued the Integrated Annual Report, abolished the counselling and advisory system, re-evaluated the compensation system, implemented succession planning, expanded the internal whistleblowing system, and made other efforts.

The Second Medium-Term Management Plan (MTP2) launched in FY2021.

As semiconductors become ever more advanced and sophisticated, we strive to ensure their quality and reliability while improving our mass production capabilities; we are consolidating our capacity to develop technologies, supply products, and provide support in order to further improve our engagement with customers and to help foster a sustainable society. Furthermore, we endeavor to reinforce our ESG-related initiatives and promote enhanced information disclosure. First, to reinforce our climate change initiatives, we will create a roadmap for the RE100 initiatives and aim to reduce our CO₂ emissions by 60% by FY2030 (compared to the FY2018 level). Moreover, we will strive to help realize a decarbonized society with our stakeholders, such as our customers and business partners. Next, in our efforts to address human rights

and the working environment, we will attempt to get our entire value chain to align with our beliefs about human rights in order to address challenges related to respect for human rights, diversity, workplace safety, and other matters. We will also focus on developing talent and improving our engagement.

Advantest will continue to share the Advantest Way with our approximately 6,000 employees in order to realize a safe, secure, comfortable, and sustainable society that "Enabling Leading-Edge Technologies," which is our purpose and mission.

We appreciate your continued support.

October 2021

Yasuo Mihashi

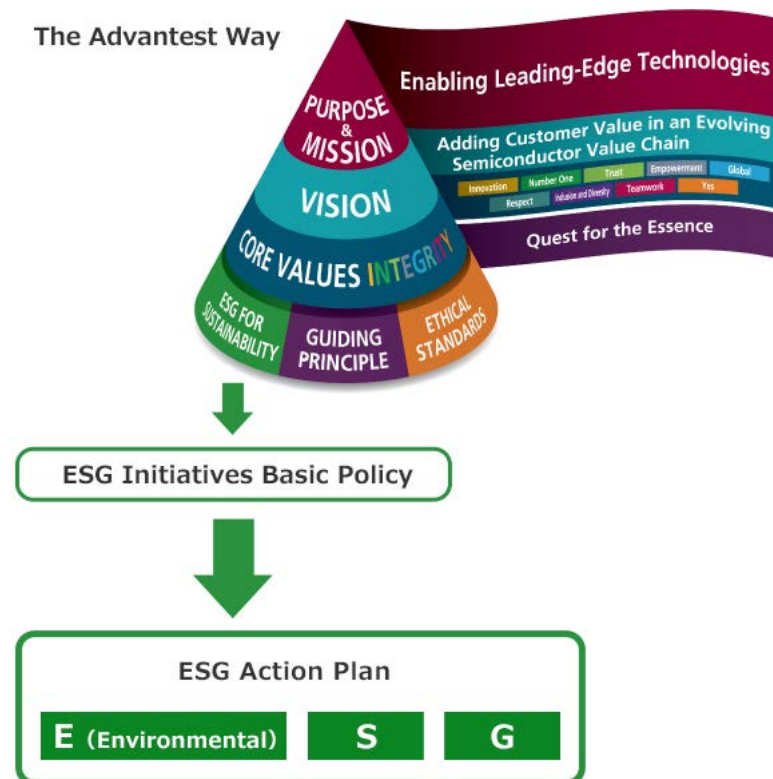
Senior Executive Officer
In Charge of Sustainable Management



Advantest's Sustainability

Our Foundation for Promoting Sustainability

We have set out the ESG Initiatives Basic Policy in order to drive "sustainability through promotion of ESG," which lies at the foundation of our corporate philosophical system, the Advantest Way. In FY2021, we incorporated our environmental action plan under the "E" (Environmental) category of the ESG Action Plan.



Materialities and the ESG Action Plan

In conjunction with our announcement of our Second Medium-Term Management Plan (MTP2), which launched in FY2021, we re-evaluated and redefined our materialities under five strategies.

One of Advantest's materialities is the "Enhance ESG initiatives." In an effort to drive this materiality, we have set out the ESG Initiatives Basic Policy and formulated ESG Action Plan 2021 based on these policies. In the Sustainability Data Book, we report on our sustainability initiatives based on ESG Action Plan 2021. For the details of our materialities, please refer to Integrated Annual Report 2021.



[Integrated Annual Report 2021](#)

Advantest's Sustainability

ESG Action Plan 2021

ESG	Key Issue	Person in Charge	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)	Climate Change (Scope 1 + 2)	Mihashi	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount / rate	35%	38%	40%	60%
		Mihashi	Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by Renewable Energy	50%	53%	55%	70%
		Tsukakoshi	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models	15%	25%	30%	(tbd)
	Value Chain (Scope 3)	Tsukakoshi	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who have introduced renewable energy	10	20	40	(tbd)
		Tsukui	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	→	→	20%	50%
	Green Products	Tsukui	Develop products that are free from polluting substances	Perfluorocarbon (PFC) refrigerant will no longer be used	New methodology in development plan		Announce release plan	PFC totally eliminated from next-generation models
	Resource Recycling	Fujita	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate	JPN: 90% Other region: 73% or more	→	→	JPN: 90% Other region: 73% or more
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000 m ³ /year	→	→	288,000 m ³ /year
	Biodiversity	Mihashi	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	14 activities planned, 80% implemented	18 activities planned, 80% implemented	20 activities planned, 80% implemented
S (Social)	ESG management at Supply Chain	Tsukakoshi	Share and solve / mitigate ESG issues (risk management, human rights / occupational safety, environment, fair trade, compliance, etc.)	Due diligence implementation rate for major customers	90%	95%	100%	100%
	Diversity Protection and Respect for Human Rights	Fujita	Fair treatment in gender	Female manager ratio	9.0%	→	→	(tbd)
			Edification and practice of Human Rights	Participation rate of educational training	100%	→	→	100%
			Work-Life Balance	Return-to-work rate after maternity leave (JPN) Exercise rate of childcare leave by male (JPN)	100% 12%	→	→	(tbd)
		Tsukakoshi	Conflict minerals elimination	Elimination of substances (parts) provided by the Red List Smelter	100%	→	→	100%

Advantest's Sustainability

ESG	Key Issue	Person in Charge	Objective	KPI	Target Value			
					2021	2022	2023	2030
S (Social)	Customer Satisfaction Employee Engagement	Sakamoto	Raise customer satisfaction under New Normal circumstances	ranking of VLSI research customer satisfaction survey	1st	→	→	1st
		Keith Hardwick	Edification and improvement of attractive corporate culture	Score of Gallup survey	3.5	→	→	(tbd)
	Occupational Safety and Health Health Management	Fujita	Infectious disease countermeasures (e.g. Covid-19) and occupational safety	Occupational accident rate (frequency rate)	0	→	→	0
			Promotion of Health Management	to be selected in White 500 (JPN)	Do	→	→	Do
G (Governance)	Board Effectiveness	Yoshida	Update business and management issues to outside directors	3 times / year	Do	→	→	Do
			Vitalize discussion through Off-site meeting by board members	2 times / year	Do	→	→	Do
			Succession Plan	Policy/Process making, planning, updates	Do	→	→	Do
			Diversity of board members	Outside director (> 40%), must have female members	Do	→	→	Do
			Add ESG performance assessment on compensation	Start from FY2021	Do	→	→	Do
	Corporate culture and code of conduct Compliance, Risk Management	Fujita	Work Shop / Training for all employees (The Advantest Way, Law, Regulations, Information securities, etc)	Participation rate to e-learning (100%)	100%	→	→	100%
			Strengthening Internal Control	Regularly discuss about Internal Control issues	Do	→	→	Do
	Promotion & Support of ESG management (Sustainable Management Working Group)	Mihashi	Support & Report group-wide Policy, Strategy, Plan and implementation	Report to Management Council and BoD (once a year)	Do	→	→	Do
			Timely and appropriate disclosure (Integrated Annual Report, Sustainability Databook)	Issuance every year	Do	→	→	Do

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ESG Initiatives Basic Policy

The Advantest Group sets long-term goals for environmental challenges and defines relevant KPIs based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), promoting responsible initiatives in order to address climate change and to help foster a decarbonized society.

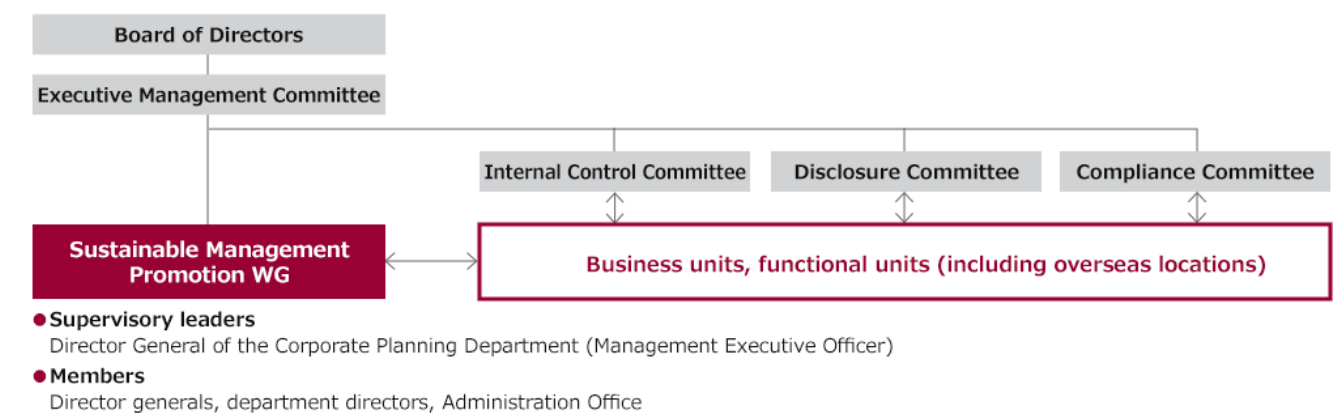
Basic Policy

1. In line with the corporate philosophy expressed in the Advantest Way, we believe that taking full consideration of, and implementing concrete actions related to, ESG-related factors is essential for achieving sustainability for both Advantest and society in general. Based on this understanding, we aim for improvement of corporate value over the medium to long term. To fulfill that responsibility, we will strengthen and expand our business while balancing earning power with transparent decision-making and actions, within a framework of respect for stakeholders, consideration for the environment, and harmonious coexistence with society in general. We will also work to contribute to achievement of the SDGs with a view to the sustainability of our global future.
2. Our basic policy is as follows.
 - (1) We continuously seek ways to reduce the environmental impact on the planet and our communities where we live, work, and do business.
 - (2) We fulfill social responsibilities with a presence throughout the world.
 - (3) We strive to consistently deliver high-quality products and services to our customers.
 - (4) We appropriately return profits and disclose information to our shareholders and investors.
 - (5) We treat our employees fairly, and ensures a positive work environment.
 - (6) We collaborate and cooperates with our suppliers.
 - (7) We build a fair, efficient, and highly transparent governance system.

Promotion framework

Advantest has newly formed the Sustainable Management Promotion Working Group (WG) for FY2020. Run directly by the Executive Management Committee, this WG consists of the representing executive of each HQ and other members;

the WG serves as a governance system to achieve sustainable management in climate change initiatives, etc. With the assistance of this WG, we formulated the ESG Action Plan, incorporating the key policies and themes related to climate change from each department. After the ESG Action Plan is approved through the deliberations of the Executive Management Committee, each unit takes charge of implementing initiatives. These climate change initiatives are reported on to the Board of Directors for discussion and evaluation twice a year.



Reporting and Information Disclosure

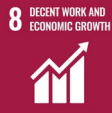
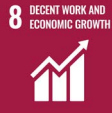
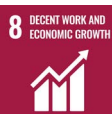
The WG will report the implementation status of the ESG Action Plan to the Executive Management Committee and the Board of Directors twice a year. And the WG will also endeavor to disclose it to external stakeholders in a timely and appropriate manner through, for example, Integrated Annual Report.

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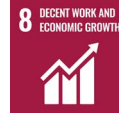
Our Activities in FY2020

This page introduces our activities to achieve our sustainability goals in FY2020.

Activities to achieve our sustainability goals between FY2018 and 2020

Category	Sustainability goal	Executive in charge	Department	KPI	Goal	Results			Contribution to society (SDGs)
						FY2018	FY2019	FY2020	
Customer value creation	Customer safety and health	Sasaki	QA, Field Service	Number of violations of the voluntary safety criteria	None	None	None	None	  
	Customer privacy	Fujita	Security Department	Number of complaints on information security	None	None	None	None	
Product competitiveness	Products and services	Tsukui	Design Operation Department	Percentage of green products that satisfy the voluntary criteria	100%	100%	100%	100%	       
	Harmful substances	Tsukakoshi	Design Operation Department	Percentage of business partners surveyed on harmful content	100%	100%	100%	100%	
	Product quality	Sasaki	QA	Loss reduction through quality improvement	Compared to FY2008: Less than 1/4	–	Less than 1/4	Less than 1/4	
	Compliance (products and services)	Tsukui	QA	Number of compliance violations related to products and services	None	None	None	None	
	Intellectual property protection	Fujita	Intellectual Property Department	Percentage of participants in e-learning programs on IP	100%	100%	100%	100%	
Talent	Hiring	Fujita	HR Department	Percentage of employees who return from maternity and childcare leave	100%	100%	100%	100%	    
	Workplace safety and health	Fujita	General Affairs Department	Frequency of workplace accidents	0	0.3	0.2	0.1	
	Training and education	Fujita	HR Department	Average yearly training hours per employee	15 hours	11.2 hours	11.5 hours	12.0 hours	
	Diversity and equal opportunity	Fujita	HR Department	Ratio of female management-level employees	8%	7.5%	7.7%	8.3%	

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Category	Sustainability goal	Executive in charge	Department	KPI	Goal	Results			Contribution to society (SDGs)
						FY2018	FY2019	FY2020	
Corporate foundation	Economic performance	Fujita	Corporate Planning Department	Sales, operating income margin, ROE, EPS	Average for 2018-2020 (Base scenario) Sales: 250 billion yen Operating profit margin: 17% ROE: 18% EPS: 170 yen	Sales: 282.5 billion yen Operating profit margin: 22.9% ROE: 35.3% EPS: 302.35 yen	Sales: 275.9 billion yen Operating profit margin: 21.3% ROE: 24.9% EPS: 270.12 yen	Sales: 312.8 billion yen Operating profit margin: 22.6% ROE: 27.3% EPS: 353.87 yen	  
	Corruption prevention	Fujita	Legal Department	Number of confirmed cases of misconduct	None	None	1	3	
	Compliance with the Antimonopoly Act	Fujita	Sales Management Department	Number of relevant legal actions	None	None	None	None	
	Environmental compliance	Mihashi	CSR and Environmental Promotion Office	Number of violations of environmental compliance	None	None	None	None	
	Compliance (Society)	Fujita	Compliance Committee	Number of violations of social compliance	None	3	3	1	
	Supply chain management (impact on the environment, human rights, workplace practices, and society)	Tsukakoshi	Cost Management & Production Support Department	Percentage of new suppliers evaluated on their impacts on the environment, human rights, workplace practices, and society	100%	100%	100%	—	     
	Conflict minerals	Tsukakoshi	Cost Management & Production Support Department	Regarding conflict minerals, we request business partners to ensure transparency for suppliers of materials and components, etc.; we collaborate with industry groups; and we conduct surveys on conflict minerals (information on smelters) with our business partners in continuous efforts to use less risky components.	-Survey applicable business partners and collect responses -Continue to participate in the JEITA Responsible Minerals Trade WG	-Survey applicable business partners and collect responses -Continue to participate in the JEITA Responsible Minerals Trade Working Group			
	Non-discrimination	Fujita	HR Department	Number of solved help line inquiries	All inquiries solved	2/2	4/4	2/2	
	Mitigation of climate change	Mihashi	CSR and Environmental Promotion Office	Ratio of renewable electricity	2050: 100% (Scope 2)	—	28%	44%	  
	Emissions into the atmosphere	Mihashi	CSR and Environmental Promotion Office	GHG emissions (Scope 1 + 2)	30% reduction by 2030 (compared to FY2018)	—	11.2% reduction	26.1% reduction	
	Discharged water and waste	Mihashi	General Affairs Department	Ratio of recycled waste	Recycling rate of over 90%	64%	61%	63%	

Advantest's Sustainability

Stakeholder Engagement

Advantest implements the following types of communication with stakeholders.

Main stakeholders	Main communication methods
Shareholders and investors	Shareholders' meetings, business reports, and interim reports Financial results and quarterly/annual financial securities reports Corporate governance reports Dissemination of information via the sustainability report Quarterly briefings for institutional investors and analysts on the same day of earnings announcement Dialogues during individual meetings, small meetings and various briefing sessions Individual meetings with major domestic and overseas institutional investors Individual meetings with major domestic and overseas shareholders
Customers	CSR questionnaire User group meetings (VOICE) Exhibitions (SEMICON, etc.)
Suppliers	CSR questionnaire Suppliers New Year Meeting Suppliers Reception QCD Cooperate Forum
Employees	Labor-management negotiations

Engagement with Shareholders and Investors

General Meeting of Shareholders

Advantest considers the General Meeting of Shareholders to be an opportunity for dialogue with our shareholders.

As was the case last year, the 2021 General Meeting of Shareholders was held in the large hall of our office to facilitate social distancing so that our shareholders could participate with peace of mind. We prioritized the safety and security of our shareholders and their family members in an effort to prevent the spread of COVID-19 infection.

This year, we started to live-stream the General Meeting of Shareholders to enable as many shareholders as possible to participate



Shareholder's Meeting

in the meeting. We have also begun accepting messages from shareholders submitted online.

We will continue to enhance the openness and accessibility of our General Meeting of Shareholders while taking measures for shareholders who are unable to come to the meeting venue.

[Details of Senior Executives](#)

IR activities

To fulfill the company's duty to demonstrate the company's accountability to our shareholders and investors, and to further increase the level of trust placed in the company, Advantest has formulated the Basic Investor Relations Policy, which summarizes policies related to information disclosure, IR activities and shareholder communication. Based on this policy, we are working to foster more intensive communication with shareholders and investors under the direction of our CEO.

Specifically, we will disclose important information in a timely, fair and appropriate manner to shareholders and investors both in Japan and overseas, and hold a financial briefing every quarter, during which senior Advantest managers will give presentations.

We will also hold individual meetings with domestic and overseas institutional investors (around 420 meetings in fiscal 2020), as well as business and technical briefings, in order to swiftly communicate changes and business trends in semiconductor technologies, which are closely related to our business, to the stock market.

Advantest is also working to enhance information disclosure on the corporate website. Feedback and opinions received from shareholders and investors is shared at the Board of Directors, and incorporated into our planning for a sustainable level of business development and mid-to-long term enhancement of corporate value.



Online technical briefings for institutional investors and securities analysts in June and December 2020.

Advantest's Sustainability

| Dialog with Suppliers

To help build harmonious relationships with suppliers, Advantest holds an annual NEW Year's reception for valued suppliers, and QCD Forum with suppliers. Besides providing an opportunity for presenting awards that give recognition to suppliers who have made a particularly valuable contribution to Advantest's business, these events also provide an opportunity for the suppliers to exchange their opinions with Advantest's President and Directors.

Due to the novel coronavirus pandemic, this year's aforementioned events for our business partners have been cancelled.

Despite rising concerns about procurement mainly in the semiconductor field, we maintain good relationships with our business partners by utilizing online meetings and other opportunities.

| Dialog with Employees

We actively communicate with our employees through dissemination of the President's Message, the monthly Morning Meetings and Meetings of All Employees which are held at each business location, the New Year Greeting event held in January each year, the Spring Labor Talks which are held each year starting in February, the ceremony to mark the company's founding which is held in July each year, the Central Labor Negotiations which are held in September each year, and various social events, etc.

Amid the COVID-19 pandemic, we have continued these practices by scaling-down the events, switching to video streaming and online meetings, and taking other measures.

Involvement with External Initiatives

This page introduces the involvement with external initiatives of the Advantest Group.

Commitment to External Initiatives

Advantest is supporting measures aimed at the realization of a sustainable society through its sponsorship for and participation in various domestic and international statements and guidelines.

| Advantest Joins UN Global Compact

The United Nations Global Compact is a voluntary initiative that calls for each company and group to act as a good member of society by demonstrating responsible and creative leadership and to participate in the creation of a global framework for realizing sustainable growth.

Advantest joined the UN Global Compact in 2019 and supports its ten principles in four areas, namely "protection of human rights," "elimination of labor abuses," "environmental protection," and "anti-corruption," and we continuously endeavor to realize these goals.



[UN Global Compact](#)

Advantest's Sustainability

The Ten Principles of the UN Global Compact

● Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

● Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

● Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

● Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

According to our corporate philosophy of "enabling leading-edge technologies," we aspire to help realize a safe, secure, and comfortable society and sustainable future as well as to solve social issues with the aim of achieving the SDGs (Sustainable Development Goals), which are shared goals for all human beings adopted by the UN in 2015.



| Announcement of support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

In April 2020, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)^{*1}. We analyze the risks and opportunities posed by climate change on our business from the perspectives of strategy, risk management, and governance and globally deploy proactive measures. We also promote the enhancement of information disclosure based on the recommendations of the TCFD to achieve sustainable growth for the Advantest Group, enhance corporate value, and foster a sustainable society.



^{*1} Task Force on Climate-related Financial Disclosures (TCFD)

A task force established in December 2015 by the Financial Stability Board (FSB), an international organization. In its final report issued in June 2017, the TCFD recommended that companies disclose information on the financial impacts of climate-related risks and opportunities.

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

| Participation in RE100

In August 2020, Advantest participated in RE100^{*2}, an international initiative that aims to procure 100% renewable electricity for its energy consumption in business activities.

Expanding the adoption of renewable energy is essential to achieve 100% reduction of CO₂ emissions, which is one of our long-term goals related to climate change. By participating in RE100, which tackles the social issue of climate change on a global scale, we are promoting the further utilization of renewable energy with other participating companies.



^{*2} RE100

An international initiative led by The Climate Group, a climate-related non-profit organization, in partnership with CDP, a non-profit organization that promotes global information disclosure and actions concerning

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environmental impacts. It was established in 2014. The number of participating companies is 320 globally and 58 from Japan (as of July 27, 2021).

[RE100](#)

RBA Code of Conduct

We actively promote initiatives on labor, safety, health, the environment, and ethics in compliance with the RBA Code of Conduct, which was published by the RBA^{*3}, a corporate alliance that promotes corporate social responsibility in global supply chains.

*3 RBA : [Responsible Business Alliance](#)

Response to the Conflict Minerals Issue

Although the U.S. Dodd Frank Act Section 1502 on conflict minerals does not apply to Advantest, we survey our business partners on the use of conflict minerals every year using the RMI^{*4} reporting template (the Conflict Minerals Reporting Template (CMRT)).

*4 RMI : [Responsible Minerals Initiative](#)

External Recognition

This page introduces the external recognition of our corporate activities.

Recognition of our initiatives for ESG investment institutions

Selected for MSCI Japan Empowering Women (WIN) Select Index and MSCI Japan Empowering Women Index (WIN)

For the MSCI Japan Empowering Women Index (WIN), companies that exhibit higher levels of gender diversity among their employees are selected based on the gender diversity score calculated using the data disclosed in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace and information disclosed by the company. For the MSCI Japan Empowering Women (WIN) Select Index, companies that demonstrate strong growth and good financial conditions among those selected for the Japan Empowering Women (WIN) Select Index are selected.

2021 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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Selected for FTSE4Good Index Series

Designed by FTSE Russell to measure the performance of companies that demonstrate strong Environmental, Social, and Governance (ESG) practices based on diverse relevant criteria, the FTSE4Good Index Series is a major index series used to create and assess sustainable investment funds and other financial products.



Advantest's Sustainability

| Selected as a constituent of the FTSE Blossom Japan Index

The FTSE Blossom Japan Index was designed by FTSE Russell to measure the performance of Japanese companies that demonstrate strong ESG practices.



FTSE Blossom Japan

| Graded B in the CDP Climate Change Report 2020

CDP surveys companies and cities on their environmental protection practices for climate change, water source protection, forest preservation, and so on, and discloses the assessment results to investors. In its climate change questionnaires, CDP grades over 9,500 companies worldwide on their initiatives related to target setting, business strategies, recognition of risks and opportunities, disclosure of amounts of GHG emissions, and other matters on an eight-level scale (A, A-, B, B-, C, C-, D, and D-).



| Selected to be part of the SOMPO Sustainability Index

The SOMPO Sustainability Index selects approximately 300 companies each year based on ESG criteria and their equity value. This index was created by SOMPO Asset Management for "SOMPO Sustainable Management," an investment product for pension funds and institutional investors.



Recognition and awards for our activities

| Won the First Place in the VLSresearch Customer Satisfaction Survey

The VLSresearch Customer Satisfaction Survey is the industry's only available opportunity since 1988 to receive feedback from semiconductor manufacturers. It evaluates and ranks equipment manufacturers based on 15 items in three key factors of customer service, supplier and equipment performance.



| AEG wins Germany's Best Employers award for the third time

The awards ceremony for "Germany's Best Employers" is held by Great Place to Work®, a global survey institution, to evaluate the workplace culture of companies of various sizes in all industries. The companies are ranked on workplace culture based on credibility, respect, appreciation, team spirit, and unity between the company and its employees.



| Winner of Corporate Governance of the Year 2020

The Corporate Governance of the Year awards ceremony has been held since FY2015 in order to support companies that demonstrate healthy growth by enhancing their corporate governance in order to streamline corporate management over the medium to long term. Companies listed in the first section of the Tokyo Stock Exchange that selected three or more outside directors during the period from 2018 through 2020 were assessed regarding their ROE, ROA, market capitalization, shareholder composition, form of governance organizational, diversity, and independence of the board of directors, etc.



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Environment

Mitigation of Climate Change (Prevention of Global Warming)

We will strive to reduce GHG emissions by providing green products and innovating in our business processes in order to fulfill our corporate mission to control global warming as per the ESG Initiatives Basic Policy. Having declared support for the TCFD Recommendations, we will proactively continue to clarify risks and opportunities associated with climate change and implement information disclosure.

Approach to Climate Change

Advantest continuously engages in long-term initiatives to alleviate and adapt to climate change in order to contribute to tackling important social challenges related to environmental issues.

For [disclosures related to climate change based on the TCFD Recommendations](#), please refer to "Risk Management" on the "Governance" page.

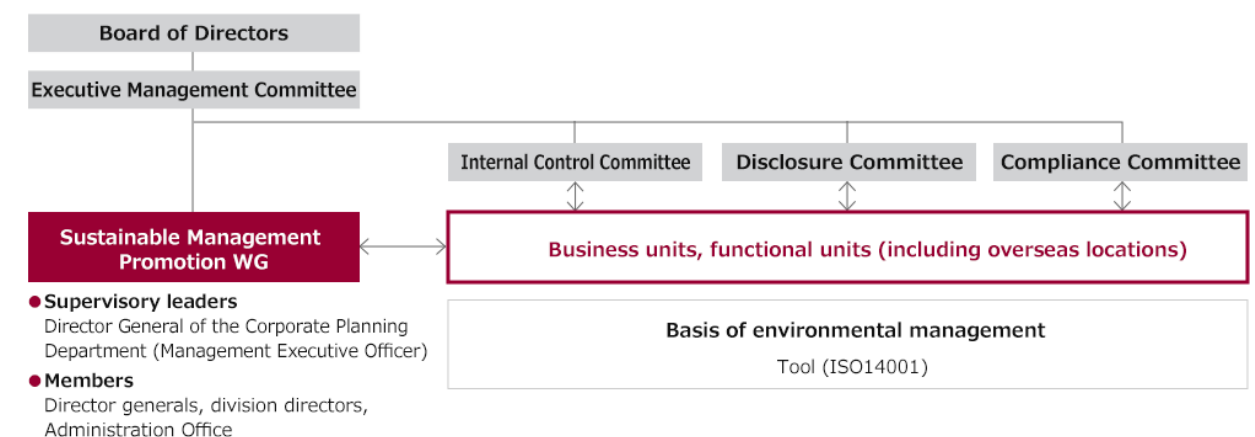
International initiatives and Advantest's efforts on climate change

Name of institution	Advantest's efforts
TCFD The Task Force on Climate-Related Financial Disclosures	As part of our efforts to ensure information disclosure, we analyze the impacts of climate change on business continuity as well as management risks and opportunities associated with laws and regulations based on the temperature increase scenarios outlined by the IPCC.
SBTi Science-based Targets Initiative	We formulate CO ₂ emissions reduction goals based on scientific insights and implement relevant measures as we work to achieve the goal of limiting temperature increases adopted in the Paris Agreement.
RE100 Renewable Energy 100%	We formulate and implement plans for transitioning to renewable energy sources for the electricity consumed in our business operations.
CDP Carbon Disclosure Project	We proactively disclose information on initiatives for risks associated with climate change, such as the TCFD Recommendations, SBTi, and RE100.
IPCC Intergovernmental Panel on Climate Change	Declared target temperature increases and GHG emissions based on projections for scenarios on what the world will look like after a temperature increase of less than 2°C and 4°C, respectively. ▷ Limit the temperature increase up to 2050 to below 1.5°C. ▷ Reduce GHG emissions by 45% by 2030, and by 100% by 2050.
The Paris Agreement (COP21) An international agreement adopted in 2015 to limit the global average increase in temperature to 1.5°C, a level that is far below 2°C, compared to pre-industrial levels.	

Environmental Management

The Sustainable Management Promotion Working Group considers international recommendations based on the ISO14001 environmental management system and scientific evidence to be the basis of environmental management.

For the details of international recommendations based on scientific evidence, please refer to ["Approach to Climate Change."](#)



Acquisition of ISO14001 Certification

The Advantest Group has acquired the integrated ISO14001 certification for its offices, as well as its research, development, and production facilities in Japan. The Group has acquired ISO14001:2015 certification for its environmental management system, which is based on relevant laws and regulations in each country where it operates. Under the uniform standards provided by ISO14001:2015, we are promoting initiatives to reduce energy use, control waste generation, develop and provide environmentally friendly products (green products), and reduce the environmental impact of our business activities.

Acquisition of ISO14001 certification



Environment

As of March 31, 2021

Company	(Base)	First acquisition of ISO14001 certification
ADVANTEST CORPORATION (Including business affiliates)		Aug. 2000 (Integrated certification)
	Head Office	2009/11
	Advantest Laboratories Ltd./Sendai Factory	2000/2
	Gunma R&D Center	2002/4
	Saitama R&D Center	2003/10
	Kitakyushu R&D Center	2003/3
	Gunma Factory	1998/4
Advantest America, Inc.		2008/10
	San Jose, U.S.A.	
Advantest Europe GmbH		2008/4
	Munich, Germany	
	Amerang, Germany	
	Boeblingen, Germany	
Advantest (Singapore) Pte. Ltd.		2008/6
Advantest (M) Sdn. Bhd. (Penang - Malaysia)		2008/9
Advantest Korea Co., Ltd.		2008/7
Advantest Taiwan Inc.		2006/12
Advantest (China) Co., Ltd. (Certification includes the following subsidiaries)		2008/5
	Advantest (Suzhou) Co., Ltd.	
	Advantest Technology (Shanghai) Co., Ltd.	



Bureau Veritas Certification (copy)

Advantest Corporation ISO14001 certifications scope

As of March 31, 2021

Applicable standards	ISO14001:2015
Certification number	4468578
Certification scope	Research, development, design, manufacture and services of semiconductor and component test systems and mechatronics systems
Certifying body	Bureau Veritas Certification Holding SAS
Date of first certification	December 8, 2000 (Acquisition of ISO14001:1996 certification at the Gunma Factory on April 21, 1998)
Date of integrated certification	Integrated as Advantest Group as of December 8, 2000.
Applicable business locations	Gunma R&D Center, Head Office, Saitama R&D Center, Gunma Factory, Kitakyushu R&D Center, Advantest Laboratories & Sendai Factory (Including each business affiliate)

Implementation of Internal Environmental Audits

The Advantest Group is always implementing regular internal audits on environmental burden reduction activities at each business location in order to confirm internal and external compliance with the operation of the environmental management system (EMS). We have been striving to build an efficient system by training internal auditors in some sections of the company since fiscal 2018. Corrective measures are being executed for all items toward any issues raised by regular internal audits and no serious defects were found in the operation of the environmental management system. In the future, we will continue to make ongoing efforts to improve our environmental management system, and will focus on improving our environmental performance.

Environment

Environmental Action Plan

The Advantest Group defines environmental challenges to focus on and formulates a medium-term plan called the "Environmental Action Plan." Based on the ESG Initiatives Basic Policy, the Environmental Action Plan was incorporated into the "E" (Environment) category in FY2021.

The Advantest Group Environmental Action Plan for FY2021, FY2022, and FY2023

The Advantest Group sets long-term goals for environmental challenges and has defined KPIs for the three years of the Second MTP (2021, 2022, and 2023) based on the ESG Initiatives Basic Policy (and the Advantest Group's environmental policies), thus promoting responsible initiatives to address climate change and to help realize a decarbonized society.

ESG	Key Issue	Person in Charge	Objective	KPI	Target Value			
					2021	2022	2023	2030
E (Environment)	Climate Change (Scope 1 + 2)	Mihashi	Reduce GHG emissions from business activities by 60% by 2030 (vs. FY2018)	GHG emissions reduction amount / rate	35%	38%	40%	60%
		Mihashi	Raise renewable energy usage to 70% by 2030, Group-wide	Coverage rate by Renewable Energy	50%	53%	55%	70%
		Tsukakoshi	Reduce production times 30% through production process reviews (vs. FY2020)	Production time reduction rate for target models	15%	25%	30%	(tbd)
	Value Chain (Scope 3)	Tsukakoshi	Promote the use of renewable energy by suppliers and contractors	Number of suppliers who have introduced renewable energy	10	20	40	(tbd)
		Tsukui	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030	Reduction rate in basic units (vs. FY2018)	→	→	20%	50%
	Green Products	Tsukui	Develop products that are free from polluting substances	Perfluorocarbon (PFC) refrigerant will no longer be used	New methodology in development plan		Announce release plan	PFC totally eliminated from next-generation models
	Resource Recycling	Fujita	Improve in-house recycling rate by promoting the 3Rs	Waste recycling rate	JPN: 90% Other region: 73% or more	→	→	JPN: 90% Other region: 73% or more
			Maintain Group-wide water usage at FY2016 levels	Water resource usage	288,000 m ³ /year	→	→	288,000 m ³ /year
	Biodiversity	Mihashi	Promote nature conservation activities (protection of endangered species in biotope, tree planting, beach clean-up, etc.)	Planning and implementation rate of nature conservation activities	10 activities planned, 80% implemented	14 activities planned, 80% implemented	18 activities planned, 80% implemented	20 activities planned, 80% implemented

Environment

Environmental policies of the Advantest Group

The Advantest Group contributes to the sustainable development of society through our business activities. Moreover, we are committed to protecting the environment through climate change countermeasures, preservation of biological diversity, etc. as well as ensuring sustainable use of energy, water resources, etc. All our employees actively engage in the following environmental conservation activities so that our company can earn the trust of society.

1.Promoting Environmental Management

By maintaining our environmental management system, we promote global environmental conservation efforts that achieve a balance between business activities and environmental concerns.

2.Reduction of Customers' Environmental Burden

We promote energy conservation, improved recyclability, and the elimination of hazardous substances to provide environmentally friendly products and services that contribute to our customers' reduction of their environmental burdens while considering the life cycle of our products from material procurement to waste disposal.

3.Better Workplace Procedures

We reform work procedures to continually improve our environmental performance by creating environmentally friendly products.

4.Environmental Protection and Sustainable Use of Resources

By being alert to the environmental impact of our business activities, we strive to protect the environment from measures against climate change to the conservation of biodiversity, as well as sustainable use of resources such as energy and water.

5.Complying with Environmental Laws and Regulations and Preventing Pollution

Upholding all environmental laws and regulations and voluntary standards, we protect nature and shield our neighbors from environmental pollution and health hazards caused by chemical substances, waste and other contaminations.

The Advantest Group Environmental Action Plan VIII (FY2018, FY2019, and FY2020) and a summary of our achievements in FY2020

Since the conclusion of the Paris Agreement, promotion of climate change initiatives has been accelerating around the world. In response to these requirements from the international community, Advantest has been considering how to set long-term goals for our climate change initiatives since FY2018. In FY2018, we started an analysis of how to drive our climate change initiatives as well as of the business risks and opportunities presented by climate change. In FY2019, we conducted research on the adoption of renewable energy and discussed long-term goals for GHG emissions reduction. Such efforts have enabled us to set and announce long-term goals for GHG emissions reductions that meet international standards as part of our climate change initiatives by declaring support for the TCFD Recommendations and joining the RE100 initiative. These are significant accomplishments of our Environmental Action Plan VIII.

Key themes

- 1. Promotion of environmental management: Promote responsible initiatives and contribute to society's sustainable development through environmental management.
- 2. Provision of green products: Help customers reduce their environmental burdens through our core and tester-related businesses.
- 3. Innovation in our business processes: Promote streamlining of operations and energy use.

Applicable scope (as of the end of March 2021)

- 1. Scope of implementation: Advantest and our main domestic and overseas group companies
 - Six domestic offices (including domestic group companies)
 - Seven main overseas locations(AAI, AEG, ASP, ATK, ATC, ATI, and AMY)
- 2. Initiative period: From FY2018 to FY2020 (three years)

Environment

Main achievements

Activity item	Goal	Indicator	FY2018 Results	FY2019 Results	FY2020 Results
Promotion of environmental management: Promote responsible initiatives and contribute to society's sustainable development through environmental management					
1) Adaptation to climate change	Identify management risks attributable to climate change and prepare adaptation measures by the end of FY2020. (GHG: greenhouse gases)	Progress	Collected information on climate change countermeasures; researched and identified risks and opportunities.	Researched renewable energy; discussed long-term goals for GHG emissions reduction.	Declared support for the TCFD Recommendations. Joined the RE100 initiative. Announced long-term goals for GHG emissions reduction.
2) Promotion of global environmental education	Implement an e-learning program once a year. (Participation rate: over 95%)	Participation rate	99.3%	98.5%	99.1 %
3) Promotion of environmental contributions and educational support	Implement forest conservation activities at each location.	Number of implemented initiatives	Domestic: 8 Overseas: 15	Domestic: 7 Overseas: 14	Domestic: 3 Overseas: 10
4) Promotion of forest conservation activities	Implement forest conservation activities at each location.		1	1	Cancelled due to the COVID-19 pandemic.
5) Cultivation and utilization of a biotope	Cultivate and utilize a biotope. (nature observation gatherings, protection of endangered species)		2	2	1
6) Reduction of CO ₂ emissions	Reduce global CO ₂ emissions (Scope 1+2) by 30% by the end of 2030 (compared to the FY2018 level).	Reduction rate	Base year	10.7%	19.9%
7) Utilization of renewable energy	Globally promote purchasing of green electricity and adoption of solar power.	Adoption rate of renewable energy	12%	28%	42%
8) Conservation of water resources (new)	Maintain the global water usage level of FY2016 (less than 288,000 m ³ /year).	Water usage amount	280,621m ³ /year	260,838m ³ /year	250,271m ³ /year
9) Promotion of resource circulation recycling	Maintain the domestic recycling rate of 90%.	Recycle rate	64%	61%	63%
	Aim for a recycling rate of over 60% at our overseas locations.		59%	68%	72%
Provision of green products: Help clients reduce their environmental burdens through our core and tester-related businesses					
1) Improve the energy-saving performance of new products.	Reduce the electricity consumption per unit performance over 20% for applicable products. (Achievement rate: No. of products for which the target has been achieved/No. of targets to which the target applies)	Achievement rate	75%	88%	100%
		Main products	M4841: Reduced by 68%	V93K Python Reduced electricity consumption by 15%. (256 Digital Channel Card)	Asakaze 5: Reduced by 32% (compared to T5833).
2) Conserve resources, downsize, and reduce components and materials.	Successfully conserve resources, downsize, and reduce components and materials for applicable products. (Achievement rate: No. of products for which the target has been achieved/No. of targets to which the target applies)	Achievement rate	100%	67%	50%
		Main products	B6700D: Reduced use of refrigerants by 70%.	V93K Python Reduced the PCB size by 30%. (256 Digital Channel Card)	V93k Donau Reduced the PCB size by 50%. (256 Digital Channel Card)

Environment

Activity item	Goal	Indicator	FY2018 Results	FY2019 Results	FY2020 Results
3) Replace fluorinert and reduce the usage amount.	Develop and implement an alternative cooling technology to replace Fluorinert.	Progress	Ongoing		
4) Calculate and announce the amount of CO ₂ reduced by green products. (new)	Calculate the amount of CO ₂ reduced by green products, and announce the level of contribution to society.	Progress	Calculate the amount of CO ₂ emitted through the use of products sold in GHG Category 11, Scope 3. * The figures have been retroactively corrected by updating the emission factors.		
			1,175.0 kt-CO ₂	855.0 kt-CO ₂	1,152.0 kt-CO ₂
5) Distribute new products more widely. (replacement with green products)	Replace testers with new products to help customers reduce energy use (compared to T6372).	Units sold	T6391_RND440_164 units Electricity reduction: approx. 9 GWh/year	T6391_RND440_115 units Electricity reduction: approx. 6 GWh/year	Currently being aggregated
Innovation in our business processes: Drive improvement in operational and energy efficiency					
1) Streamline production activities.	Aim for a production period of one month for new products and newly outsourced products (from board assembly and assignment to shipment).	Progress	B6700D: 1.5 months (energization period: 12 days → 7 days)	T5503HS Unattained for quality improvement (energization period: 40 days → 40 days)	Achieved a production period of one month for T5832 (energization period: 33 days → 30 days)
2) Reduce energy use and increase the efficiency of building facilities.	ATJ: Update aging facilities to increase their efficiency and promote leveling of electricity consumption.	Progress	Crude oil equivalent: reduced 25 kl (Target: 57 kl)	Crude oil equivalent: Reduction of 195 kl (Target: 31 kl)	Currently being aggregated (Target: 210 kl)
	AEG: Switched to LED lighting. Updated the air conditioning system.	Progress	Switched to LED lighting. Electricity reduction: 790 MWh/year	Started to use a new air conditioning system.	(Completed)
3) Streamline the product development and production processes.	Build Global PLM, which is expected to streamline global, diverse product development and production processes.	Progress	Began implementing PLM.	(Completed)	(Completed)
4) Reduce environmental burdens in the supply chain. (new)	Identify environmental burdens of production outsourcing contractors.	Progress	Calculated the amount of CO ₂ emitted from products and services purchased in GHG Category 1, Scope 3.		
			489.5 kt-CO ₂	400.5 kt-CO ₂	482.0 kt-CO ₂
	Reduce CO ₂ emissions from purchasing logistics by 36% per unit (compared to FY2016).	Reduction rate	20%	27%	Currently being aggregated
	V93K Reduce packaging waste by 6% per unit(compared to FY2016).	Reduction rate	1.5%	2.5%	Currently being aggregated

Environment

Environmental Education

Basic Stance on Environmental Education

Environmental conservation is the most urgent issue that we face today. Each and every employee needs to always feel that the environment is an issue close to their heart, be thinking about what they can and should do both at work and in the home, and transform these ideas into action.

The Advantest Group regularly implements multiple environmental education programs to increase our employees' environmental awareness, to provide them with insight into our environmental policies, and to encourage them to continuously engage in environmental conservation activities.

Major Environmental Education Programs

Program name	Educational
Training for new employees	Environmental awareness education for new employees
General environmental education program	Insight into the Advantest Group's environmental policies and general knowledge on environmental conservation
Education for internal environmental auditors	Cultivation and further education of internal environmental auditors
Management of chemical substances	Education on the handling and safety management of chemical substances
Capability training for specific tasks	Education to maintain and improve the skills that are needed by those engaged in specific tasks such as energy management, pollution control and waste management.

General Environmental Education

The Advantest Group provides an online general environmental education program with the aim of encouraging all of our employees to continuously engage in environmental conservation activities.

The materials for the general environmental educational program explain five initiatives and their environmental benefits based on our environmental policies. We are also committed to cultivating our employees' environmental awareness by including SDG-related content and trending topics such as the issue of ocean plastic pollution. The final section of the materials includes multiple questions on the learning content that are designed assess employees' understandings. The participation rate is high every year—we achieved 99.1% attendance in FY2020.

General Environmental Education Initiatives	Examples of educational materials
1. Promotion of environmental management 2. Reduction of customers' environmental burden 3. Better Workplace Procedures 4. Environmental Protection and Sustainable Use of Resources 5. Complying with Environmental Laws and Regulations and Preventing Pollution	Long-term and global efforts ■ SDGs: Sustainable Development Goals: Year 2030 global goals for sustainable development adopted at the United Nations ✓ 17 goals including No Poverty, Climate Action, Life on Land, Affordable and Clean Energy are set. ■ Paris Agreement: International framework convention on climate change and greenhouse-gas-emissions mitigation ✓ Long-term goal is to keep the increase in global average temperature to well below 2 °C above pre-industrial levels. ✓ Zero emissions of greenhouse gas in the late 21st century ADVANTEST

Participation in General Environmental Education for fiscal 2020

	Target employees	Number of participants	Participation ratio (%)
Japan	2,681	2,681	100
Overseas	2,728	2,682	98.3
Overall	5,409	5,363	99.1

Global Educational Activities on Our Internal Social Networking Platform "My LIFE. ON."

In November 2020, we updated our internal social networking platform and expanded it internationally under the name "My LIFE. ON."

This social networking platform enables our employees to enjoy contributing to the SDGs by posting activities that are beneficial for people, the environment, and society as well as to "like" posts and comment to demonstrate their support for such activities.

Each day, our employees around the world post their initiatives for society and the environment, such as using tumblers instead of plastic bottles and becoming UNICEF supporters. The average number of daily views exceeds 200. Through "My LIFE. ON." Advantest aims to build an SDGs-oriented community, where we will implement global educational activities to encourage our employees to contribute to the environment and to society.



Internal social network "My LIFE. ON."

Environment

Climate Change Initiatives in Our Business Activities

We understand the impacts our business activities have on the planet's environment and we carry out activities to reduce our environmental impact. This page introduces our initiatives for environmental conservation.

Green Products

Basic Stance

Contributing to the sustainable development of society and conducting environmentally friendly business operations are essential issues that need to be addressed in modern business management. The Advantest Group works to develop products from the perspective of environmental conservation while prioritizing high precision and high quality, and certifies as green products those products that are environmentally friendly in terms of the three key aspects of energy and resource saving, improving recyclability, and elimination of hazardous substances. There is demand in society for the supply of green products because they provide both a reduction in the environmental footprint and an improvement in economic value. The Advantest Group is developing green products in response to these demands and based on the belief that these products will be beneficial for its customers.

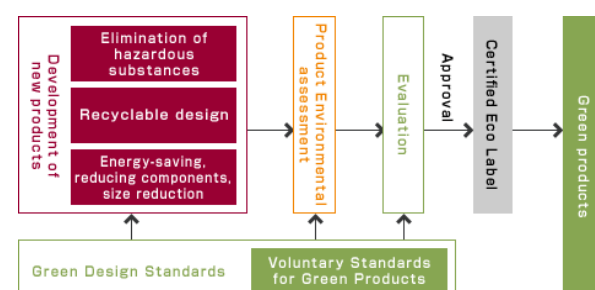
Development Flow of Green Products

At the Advantest Group, all products undergo a product environmental assessment.

During the product environmental assessment, products are assessed from various aspects, including energy-saving, reduction of the number of components, size reduction, recyclable design, and elimination of hazardous substances.

New products that meet the Voluntary Standards for Green Products defined by Advantest are certified as green products and are awarded with an Eco Label (type II), in addition to the product environmental assessment. We design new products to be 100% green products.

Development flow of green products



Advantest Group Eco Label

The Advantest Group Eco Label features an original three-color design representing energy and resource saving, recyclable design, and elimination of hazardous substances through green procurement.

Energy and Resource Saving

Voluntary Standards
Energy saving design
Reducing component design
Size reduction design



Recyclable Design

Voluntary Standards
Design with recyclable plastic materials
Design for ease of dismantling
Release of information on disposal

Elimination of hazardous substances (Green Procurement)

Voluntary Standards
Improved rates of green procurement
Elimination of banned substances

Energy and Resource Saving

We aim to reduce the environmental impact of our products through product designs that save energy, reduce components, and reduce size.

The reduction rate of energy against conventional products has been set to a standard of at least 20% for semiconductor test systems and measurement instruments, and at least 10% for other products such as handlers and nanotech products.

We have also set a reduction rate of at least 10% in the same way for components and the miniaturization for all of our products.

Recyclable Design

In recyclable design, we release information on parts that will require special attention during disposal, and plastic parts designed in-house use 90% or more recyclable materials. Moreover, we make sure that products are easy to dismantle with standard tools, and we use rechargeable batteries displaying a recycle symbol.

Elimination of Hazardous Substances (Green Procurement)

To eliminate hazardous substances from our products, we have established Group standards on banned substances based on the IEC 62474 standard, and we conduct surveys of hazardous substances contained in parts and materials used in our products. Advantest is building a response system for some of its products and eliminating relevant chemical substances using the results of this survey because these chemical substances are regulated by the RoHS directive as of July 2017.

Our main products are semiconductor examining devices, which are not manufactured products. Therefore, our main products do not cause emissions of gases such as PFCs.

Environment

| Green Products Certified During Fiscal 2020

We supplied the following products, which were certified as green products in fiscal 2020.

- Burn-in Tester H5620ES
- TDR Analysis System TS9001

Reduction rates of fiscal 2020 green products—Examples

New product model	Versus previous product	Energy efficiency improvement (%)	Reduction in components rate (%)	Reduction in size rate (%)
H5620ES	B6700DES	85	86	81
TS9001	TS9000	92	95	96

Note: The reduction rates given above are the values resulting from the performance conversion.

Product Recycling

| Basic Stance

It is the Advantest Group's basic policy to take active steps to ensure that the products we sell are reused and recycled after they are retired, and to buy back products that are not expected to be reused so that the resources can be recycled.

Recycling policy

1. Achieve 100% collection of recyclables through manual dismantling.
2. Clarify to whom recycling is to be commissioned, and ensure traceability.
3. Promote the conservation of the global environment in collaboration with customers.
4. Properly dispose of harmful substances. (Hazardous substances: mercury relay, ion type smoke detector, internal cooling water, and Fluorinert)

| Results Achieved in Fiscal 2020

During fiscal 2020, the Group recycled 3 retired products for a total of 48 tons of recycled resources, achieving 100% collection of recyclables. In addition, the Group has established recycling traceability for each discarded product. This was made possible through the cooperation of customers, intermediaries and waste disposal businesses across the country. We will reduce the burden on customers and encourage environmental preservation.

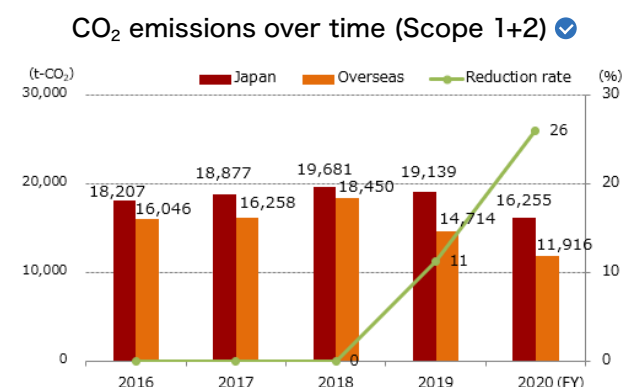
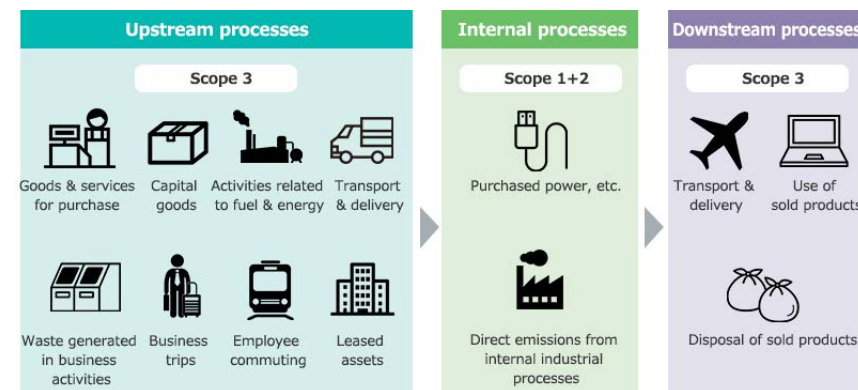
Product recycling flow



Environment

CO₂ Emissions in the Supply Chain

Our company strives to reduce greenhouse gas (GHG) emissions related to our products throughout the entire product lifecycle, from procurement of components and production to customers' use and disposal of the product.

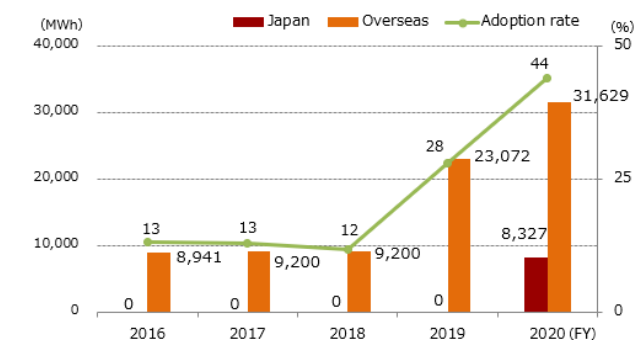


- * The figures have been retroactively corrected by updating the emission factors, etc.
 - * The domestic and overseas CO₂ emissions in FY2020 are assured by KPMG AZSA Sustainability Co., Ltd.
 - * GHG emissions due to non-energy related activities are included in the figures for FY2018 and after.
 - * Until FY2018, CO₂ emissions from company vehicles were disclosed separately and excluded from the total emissions under Scope 1.
- Since FY2019, these emissions have been retroactively included in the total emissions under Scope 1 for disclosure purposes.

Guidelines referenced and CO₂ emission factors and heat conversion coefficient of electricity and fuel

- Ministry of the Environment: "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment: "List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions"
- CO₂ emission factors for overseas power consumption: Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emission Factors 2020, which was issued by the International Energy Agency (IEA).

Transition to green electricity



- * These values are a tally of amount of renewable energy purchased and amount of tradable green certificate purchases.
- * The amount of green electricity that was used in Japan and overseas in FY2020 are assured by KPMG AZSA Sustainability Co., Ltd.

Climate change initiatives at our domestic locations

Won first place in the FY2020 Chairman's Awards of the Kanto Region Committee of Rationalization of Electricity Use

At the Gunma Factory in August 2019, we switched the heat generation equipment that generates cold and warm water (cooling water for testers, and cold and warm water for air conditioning) from gas to electricity. This transition successfully decreased annual electricity consumption by approximately 445 MWh, significantly reducing CO₂ emissions. This achievement earned us first place in the FY2020 Chairman's Awards of the Kanto Region Committee of Rationalization of Electricity Use at the Awards Ceremony for Rationalization of Electricity Use, which is sponsored by the Japan Electric Association.

The Gunma Factory switched to renewable energy sources for all electricity use in April 2021

The Gunma Factory has switched to renewable energy sources for all its electricity use. Generated by the hydroelectricity facilities on the factory premises, this CO₂-emissions-free renewable energy is produced and consumed locally. The electricity fees for the environmental added value (the increase in fees) will be utilized in future creation initiatives by Gunma Prefecture. The total amount of electricity switched over at the Gunma Factory was approximately 12.8 million kWh per year, and this initiative is projected to reduce annual CO₂ emissions by approximately 5,000 tons. This is equivalent to the amount of CO₂ absorbed by approximately 360,000 cedar trees.



Environment

(A cedar tree absorbs approximately 14 kg of CO₂ according to data from the Ministry of Agriculture, Forestry, and Fisheries.)

Our company has also achieved 100% renewable energy use at our offices in San Jose (AAI) and Munich (AEG). With the transition to renewable energy at the Gunma Factory, our group's renewable energy adoption rate is expected to increase from 28% in 2019 to over 50% in FY2021.

To realize a "decarbonized society," our company aims to increase our renewable energy adoption rate to over 60% by FY2030. For our domestic offices, we will drive the deployment of solar energy generation facilities as well as the adoption of other forms of renewable energy. For our offices elsewhere in Asia, we will promote the adoption of renewable energy based on availability in each respective region. We will also implement collaborative measures for CO₂ emissions reduction with the supply chain.

Climate change initiatives at our overseas locations

Offices that utilize 100% renewable energy

Advantest America, Inc. (AAI) has committed to using renewable energy since 2012, and 2021 marks a decade of this commitment. In an effort to reduce environmental impacts associated with electricity use, AAI has purchased a Green Electricity Certificate for wind power generation. In FY2020, the office sourced over 100% of its electricity from renewable energy sources. Furthermore, in 2013, AAI joined the Green Power Partnership of the United States Environmental Protection Agency (EPA), which is an initiative to purchase renewable energy promoted by the EPA, and has thus contributed to the spread of green electricity.



Tradable Green Certificate
(United States)

Advantest Europe Since 2019, Advantest Europe GmbH (AEG) has been purchasing renewable energy generated from hydroelectric power, etc. at the Böblingen Office, Amerang Office, and Munich Office. Similarly, 100% of the electricity used at these three offices in Germany comes from renewable energy sources.



Tradable Green
Certificate (Germany)

Initiatives to install EV charging stations

Advantest America, Inc. (AAI) has installed ten charging stations for electric vehicles (EVs) at the San Jose Office, and its employees enjoy complimentary access to them. Currently, approximately 15% of its employees make use of these stands, reducing CO₂ emissions by approximately 72 tons per year.



Charging station
(United States)

In 2019, the Amerang Plant in Germany also installed a new charging station for two electric vehicles to support employees switching from gasoline-powered vehicles to electric vehicles.



Charging station
(Germany)

Calculation of GHG emissions in the supply chain and relevant initiatives (Scope 3)

Our company has identified and calculated the amount of GHGs indirectly emitted from the supply chain from processes upstream to downstream (Scope 3). As for CO₂ emissions under Scope 3, emissions from category 1 (purchased products and services) and category 11 (use of sold products) account for over 95% of the total. We will set goals for these two key categories under Scope 3 and promote activities for reducing GHG emissions.

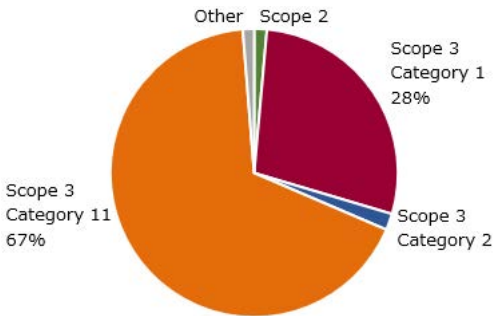
Approach toward the ESG action plan 2021 "Value Chain"

Aim	Promote reusable energy at our component suppliers and manufacturing contractors
Supervising division	Procurement, Product Design, and ESG Promotion Office
KPI	Number of suppliers that have incorporated renewable energy
FY2021 target	10
Why it is so important	Based on the Paris Agreement, which is an international agreement for measures against global warming, Advantest recognizes the importance of measures taken in the company and supply chains as well to reduce greenhouse gas emissions toward realizing a decarbonized society.
Boundary	Advantest Group

Environment

Relevant policies	ESG Initiatives Basic Policy
Relevant commitments	Paris Agreement, RE100, SBTi
Manager	Executive Vice President of the Production Group
Relevant complaint processing policy	Establishment of a contact window

Aim	Reduce CO ₂ -equivalent emissions (basic unit) per test by 50% by 2030
Supervising divisions	ESG Promotion Office
KPI	Reduction rate in basic units (vs. FY2018)
FY2023 target	20%
FY2030 target	50%
Why it is so important	Based on the Paris Agreement, which is an international agreement for measures against global warming, Advantest recognizes the importance of measures taken in the company and supply chains as well to reduce greenhouse gas emissions toward realizing a decarbonized society.
Boundary	Advantest Group
Relevant policies	ESG Initiatives Basic Policy
Relevant commitments	Paris Agreement, RE100, SBTi
Manager	Leader, ATE Business Group
Relevant complaint processing policy	Establishment of a contact window



Guidelines referenced and CO₂ emission factors and heat conversion coefficient of electricity and fuel

- Ministry of the Environment: "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment: "List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions"
- CO₂ emission factors for overseas power consumption: the emission factors by country in the IEA's "Emission Factors" (2020 edition) issued by the IEA are used.

- * <Calculation method for Category 1>
- CO₂ emissions are calculated by multiplying the total purchase amount for each purchased good by the corresponding intensity of the "Embodied global-energy/emission intensity based on a consumer's price basis" issued by the National Institute for Environmental Studies.
 - For goods for which the transportation cost cannot be isolated from the purchase price, the emissions arising from the transportation of the goods are included in Category 1 emissions, not Category 4: "CO₂ emissions generated in transportation of products from tier 1 suppliers to the company."

- * <Calculation method for Category 11>
- Among the Automated Test Equipment sold by the Advantest Group, SoC test systems and memory test systems are subject to calculation.
 - CO₂ emissions are calculated by multiplying the total lifelong power consumption of the products sold during the relevant fiscal year by the world emission factor in the IEA Emission Factors 2020 issued by the IEA.
 - The lifelong power consumption is calculated by multiplying the assumed product usage period (10 years) by the power consumption calculated for each product based on the number of units sold and product specifications of the calculation target system.

Environment

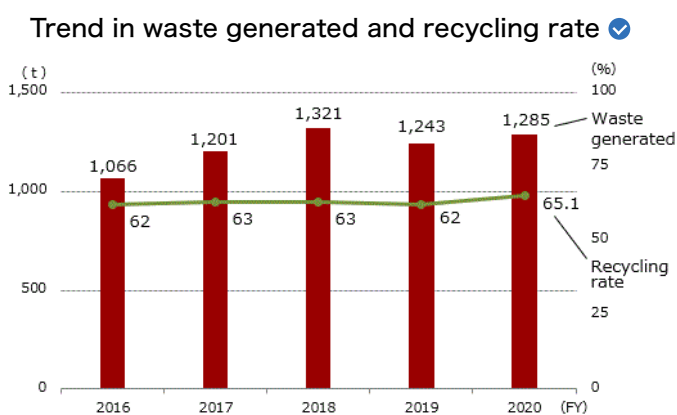
Recycling Resources

The Advantest Group pursues operations encompassing the "3Rs" (reduce, reuse, and recycle) with the aim of realizing a recycling society.

Waste recycle initiatives

The Advantest Group is committed to converting waste into valuables by reinforcing the initiative we launched in FY2009 to separate components. We ensure strict compliance in these activities.

In disposing of waste (including packaging materials) generated in our business activities, we clearly indicate to our outsourcing contractors the disposal method for each classification as per the relevant laws (including local laws and regulations) to ensure proper disposal and recycling by material type.



Data range for tabulation: Advantest Group data

* Up to FY2019, the amount of waste generated and the amount of waste recycled in Japan were calculated excluding valuable materials. We have included the amount of valuable materials from FY2020, and have recalculated and restated the past figures including valuable materials.

* We found, through an inquiry to a waste disposal contractor, that some generated waste which had been allocated to the recycled quantity was not in fact recycled. We have recalculated and restated the past figures accordingly.

* FY2020 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Proper Disposal of Waste Plastics and Material Recycling

Advantest has been recycling all waste plastics at business locations in Japan. At its Gunma Factory, trays and magazines, which are used as parts containers, are disposed of as waste plastics. Individual employees check the recycling identification mark on each container to sort containers containing PVC. This



allows waste plastics to turn into the main raw material for RPF (Refuse Paper & Plastic Fuel), which is a high-quality solid fuel.

Waste plastics containing PVC are crushed, incinerated, and recycled as molten slag, which is used mainly as roadbed material.

Proper Disposal of Equipment Containing PCB

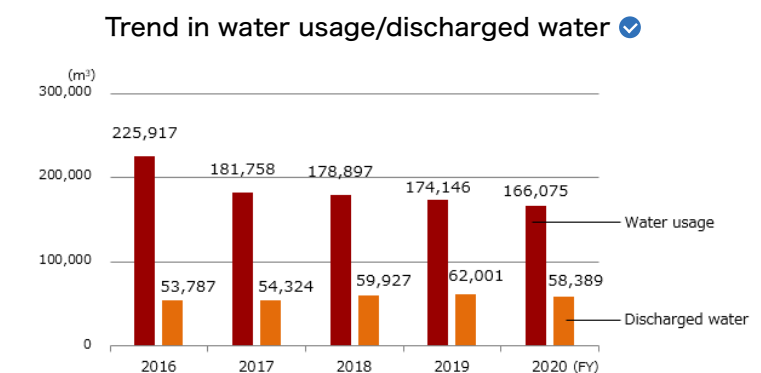
Advantest owned three capacitors, fluorescent lights, and stabilizers that contained polychlorinated biphenyls (PCBs), but all pieces of the equipment that contained PCBs were properly disposed of during FY2017.

Effective Use of Water Resources

Advantest's main usage applications of its water resources are the operation of air conditioners, kitchen use, toilet cleaning, and drinking. At our main bases, we use water for industrial use efficiently. In addition to using this water for cleaning the toilets, we also use it with roof-mounted sprinklers to improve cooling in the summer. Advantest is also filtering drinking water and using ultra-pure water at some business establishments. It should be noted that approximately 90% of the discharged water produced by Advantest Group is classed as domestic sewage. Currently, domestic sewage and rain water cannot be recycled.

Advantest's development and manufacturing sites in Japan are located in Gunma Prefecture and Saitama Prefecture and use water resources from the Tonegawa River. In order to protect the Tonegawa River's water resources, we carry out forest protection activities in [the national forest in Gunma Prefecture, the source of the river](#).

Of course, every member of our staff takes care not to waste water, and strives to make effective use of our water resources.

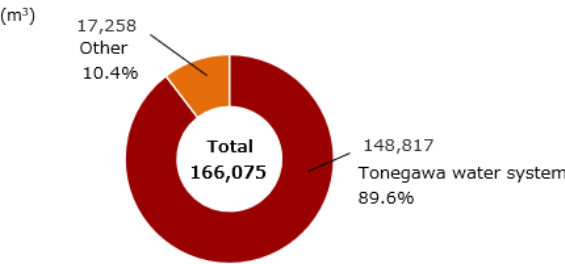


Data range for tabulation: Advantest Group (Japan) data

* FY2020 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Environment

Amount of water used from the Tonegawa River water system



Data range for tabulation: Advantest Group (Japan) data

Initiatives on Environmental Risk Management

This page introduces our various initiatives for ensuring legal compliance in all our business activities, reducing their environmental impact, and so forth.

Management of Legal Compliance Regarding Environmental Impacts

Basic Policy for Environmental Risk Management

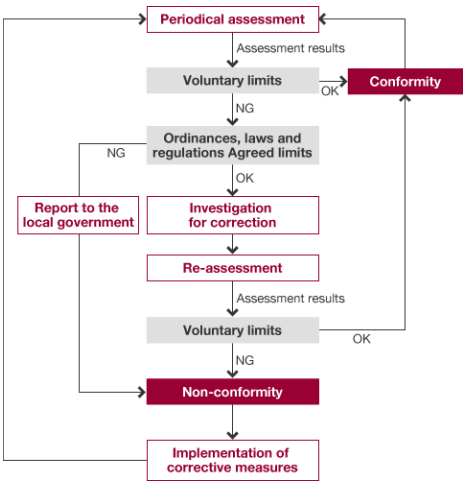
The Advantest Group sets voluntary standards more stringent than prevailing environmental laws and regulations, and implements such standards in the course of operating equipment that could potentially impact the environment, and in monitoring and assessing those operations.

Furthermore, to ensure that we can respond without hesitation should an environment-related incident occur, we have established rules for addressing such risks, stipulated in documented operating procedures and chemical substance emergency-response procedures and other such guidelines, and have put management systems in place related to those rules.

Moreover, our employees and contractors handling particularly high-risk operations regularly take part in specialized training and emergency drills, which are conducted to ensure that they are able to act swiftly in the event of an emergency.

Environment

Compliance management at business sites



There were no cases which exceed our voluntary standards for air and water quality in fiscal 2020.

Items	Boundary	FY2016	FY2017	FY2018	FY2019	FY2020
Emissions into the atmosphere	Japan	0	0	0	0	0
Waste water to water area	Japan	0	0	0	0	0

Management of Chemical Substances

Basic Policy for Chemical Substance Management

We are working to ensure safety management and compliance with laws and regulations in the use and storage of chemical substances used at Advantest Group business locations.

To this end, we have adopted a chemical substance management system. This system facilitates chemical substance registration, safety reviews, input/output control, and the calculation of data required by relevant laws and regulations, as well as making the safety data sheets (SDS) that are necessary for the safe handling of chemical substances available at any time.

In addition, in order to realize strengthened risk management and chemicals substance management, we are constructing a safety training system, and are conducting audits and providing guidance through the corporate chemical management division to ensure the safety of stored chemical substances, so as to further enhance our safety control system.

Furthermore, we plan to build up our global management system as we strive to achieve the same level of risk management overseas as in Japan.

Improving Chemical Substance Management:
"Aiming for More Precise Management"

At Advantest Group, we manage the chemical substances that we use by container through our chemical substance management system. Based on the chemical substances management level specified under the PRTR Law, the Poisonous and Deleterious Substances Control Law, the Industrial Safety and Health Law and other laws and regulations, we have established a classification system of management ranks and set the management method according to each rank, with the aim of having a flexible system.



Strict chemical controls

Furthermore, in response to the revision of laws and regulations, Advantest built and executed a system for the risk management of chemical substances which had become a requirement as of June 2016.

Environment

Adopting the High-precision Management Methods in Line with the Different Level of Risks Posed by Different Chemical Substances

We implement training in chemical substance handling for Advantest Group employees, ensuring that employees understand how to handle particular types of chemical substances and are aware of the key points to note regarding their use. Management procedures are simplified for chemical substances that are less hazardous, and autonomous management is implemented with respect to commercially-available sprays, adhesives, etc.



Controls applied to each and every container

Chemical substance control ranks

Rank	Conditions for application	Locked storage	Dispensary control	Inventory checks
4	Some chemical substances are extremely toxic or have a profound social impact, so registration with the government, etc., is necessary to handle them. Examples: narcotics, stimulants, etc.	Yes	Yes	As required by law
3	Some chemical substances are highly toxic, so any loss must be reported. Examples: poisons, deleterious substances, etc.	Yes	Yes	Twice annually
2	Some chemical substances are inflammable, corrosive, or poisonous with prolonged exposure. Examples: organic solvents, acids, alkalis, etc.	Yes	Yes	Twice annually
1	Some chemical substances are not very harmful, but since a large amount is used, control is necessary. Examples: solder paste, Fluorinert, etc.	-	Yes	Twice annually
0	Some chemical substances are not very harmful and do not warrant special control. Examples: some adhesives, grease, lubricants, paint, lead-free solder, wire solder, bar solder, sprays (spray oil, cooling spray), etc.	-	-	-

In line with this management approach, proper after-use treatment will be followed, such as making a request to a waste treatment company.

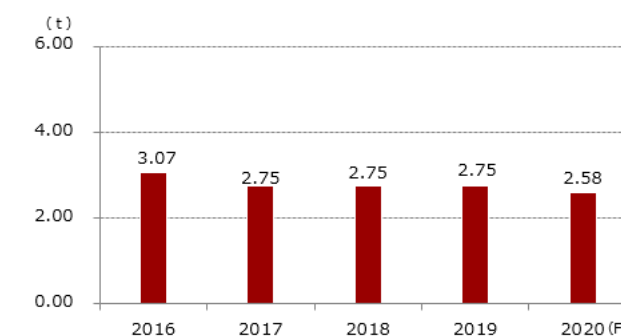
Efforts to Reduce VOC (Volatile Organic Compounds) Emissions

VOC substances are considered as substances that produce photochemical oxidants and suspended particulates. Facilities using a large amount of VOC are obligated by Article 17-13 of the Air Pollution Control Act to monitor VOC emissions into the atmosphere that are attributable to their business activities and take the measures that are necessary to reduce the emissions.

VOC is not used much in the electrical and electronic industry. However, the Ministry of Economy, Trade and Industry has requested companies to take voluntary measures to reduce VOC emissions, so four industry groups (JEMA, CIAJ, JEITA, and JBMIA) have been conducting surveys and cooperating with the Ministry of Economy, Trade and Industry since 2005.

These surveys cover 20 substances that are often used in the electrical and electronic industry. Advantest does not use them in large quantities, but has been conducting surveys on the consumption of these substances and report it as required.

VOC data



Data range for tabulation: Advantest Group (Japan) data

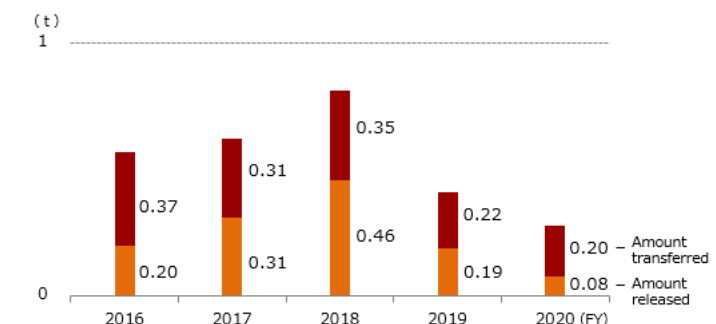
* Substances tabulated here are VOCs subject to surveys by Japan 4EE.

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

PRTR Report

According to the Law Concerning Pollutant Release and Transfer Register, Advantest has been submitting reports to the government under the Pollutant Release and Transfer Register (PRTR) system.

PRTR data



Data range for tabulation: Advantest Group (Japan) data

* The table includes PRTR controlled substances whose annual amount of use was below the amount required to be reported.

* FY2020 figures are assured by KPMG AZSA Sustainability Co., Ltd.

Environment

Implementation of General and Specialist Chemical Substance e-learning Education

Used inappropriately, even familiar chemical substances may cause unexpected accidents and environmental pollution. We provide the general chemical substance education program to all our domestic employees in order to help them understand how to reduce such risks.

The specialist chemical substance education program is provided to employees who use chemical substances in their daily work. The purpose of this annual e-learning program is to raise awareness of the dangers and harmfulness of chemical substances as well as to promote the safe handling thereof through practical learning content. In this program we explain things simply, using examples of accidents, regarding chemical substances regulated under the main laws such as poisons, deleterious substances, organic solvents, specific chemical substances, hazardous materials covered by the Fire Services Law, etc.

In fiscal 2020 we conducted general education for all new employees and specialist training for 624 employees who handle chemical substances.

<Content>

- The danger of chemical substances (effects on the human body)
- The importance of safety training for chemical handlers
- The importance of wearing personal protective equipment (gloves, goggles, masks, etc.)
- Points to be observed according to the requirements of the law

Special medical diagnosis, selection of a work leader, environmental measurement, inspection of ventilation equipment, notification of designated hazardous materials specified under the Fire Services Law, etc.



Materials used in training on chemical substances

Involving Our Business Partners

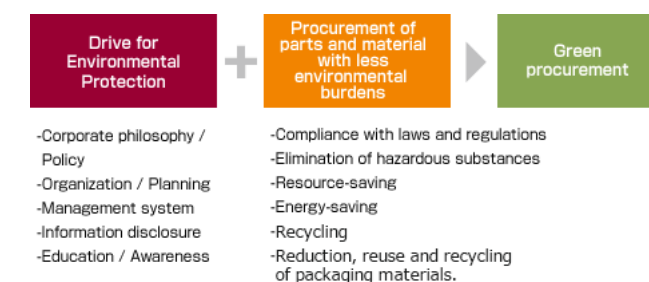
Green Procurement/Initiatives Related to Regulations for Chemical Substances Contained in Product

At Advantest we are striving to eliminate hazardous substances across our manufacturing activities including suppliers of components and assembly and processing partner companies, and wish to connect this to the development of green products. We engage in communication with our business partners, and formulated the Advantest Green Procurement Guidelines in fiscal 2002 to facilitate this process. We operate according to these guidelines in order to give consideration to the environmental aspects in addition to quality, cost, and delivery throughout the whole process of production, including the purchasing of components and materials that are used for our products. In fiscal 2020 we distributed the Guidelines to all business partners, including new accounts, and requested their cooperation.

We have created a database from the environmental information we received from our suppliers, and are utilizing it to promote eco-friendly product manufacturing, along with the implementation of product environmental assessments.

Advantest has also concluded the General Specification for the Environment(GSE) with our suppliers as a contract for the same measures even at overseas bases to eliminate the chemical substances contained in products.

The Principles of the Green Procurement



[Advantest Green Procurement Guidelines \(PDF 169KB\)](#)

Environment

Component Registration in Green Procurement

Regarding component registration, we are conducting environmental surveys for procured components using our environmental survey questionnaire with cooperation from our suppliers, based on the operation standard for chemical substances used in Advantest products. We investigate the components to find out if they contain chemical substances that can burden the environment, and promote green procurement initiatives to reduce environmental impact.

Banned and Restricted Substances

We have established the aforementioned operation standard for chemical substances used in Advantest products based on IEC62474* and use it in surveys on the use of hazardous substances in components used and to determine whether or not to adopt the components.

* IEC62474: Material Declaration for Products of and for the Electrotechnical Industry (See: <http://std.iec.ch/iec62474>)

| Survey of Suppliers on Hazardous Substances

Starting with the RoHS Directive, there have recently been additions and revisions of electrical and electronic regulations. On November 1, 2019, Advantest, in line with the revised IEC62474, revised its questionnaire on hazardous substances and informed our business partners.

Compliance with the Laws and Regulations in Each Country

In complying with environmental laws and regulations, the Advantest Group is working towards eliminating the use of hazardous materials while also pursuing environmental conservation efforts that involve reducing the consumption of energy and resources. More specifically, we have been working with our suppliers since the autumn 2003 on initiatives to investigate and eliminate the use of restricted hazardous materials. We are in compliance with the European RoHS Directive*.

| The EU-RoHS Directive

Advantest's semiconductor Test system, Test handler are classified as Large-Scale Stationary Industrial Tools (LSSIT) under the EU-RoHS directive, and as such are exempt from the directive's provisions. Nevertheless, on the basis of our commitment to environmental conservation, we will continue to work towards continuing elimination of hazardous substances from these product lines.

*The European RoHS Directive and its revision stipulate restrictions on the use of specified hazardous substances contained in electric and electrical devices in Europe; inclusion of the following substances (10 such substances are used for our products as of July 22, 2021) in excess of the maximum allowed limits is prohibited, except for exempted purposes.

- Lead (Pb)
- Hexavalent chromium (Cr VI)
- Mercury (Hg)
- Polybrominated biphenyl (PBB)
- Cadmium (Cd)
- Polybrominated diphenyl ether (PBDE)
- Bis phthalate (2-ethylhexyl) (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)

Environment

| Chemical Substances Contained in Product

SVHC of the REACH Regulation

Advantest products may contain the following SVHC:

- Diarsenic pentaoxide
- Diarsenic trioxide
- Boric acid
- Hexavalent chromium compound
- Disodium tetraborate, anhydrous
- Lead chromate
- Bis (2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Butyl benzyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)
- Trixylyl phosphate (2-chloroethyl) (TCEP)
- 4- (1,1,3,3-tetramethylbutyl) phenol
- Bis (2-ethylhexyl) phthalate (DEHP)
- Sulfurous acid, lead salt, dibasic
- 1,2-dimethoxyethane; ethylene glycol dimethyl ether (EGDME)
- Pentalead tetraoxide sulphate
- Boric anhydride
- N,N-dimethylformamide
- Diisopentyl phthalate (DIPP)
- N-pentyl-isipentyl phthalate
- Lead titanate, lead titanium trioxide
- Lead titanate zirconate
- Lead oxide sulfate
- (Phthalato (2-))dioxotrilead
- Di-n-hexyl phthalate (DnHP)
- Methylhexahydrophthalic anhydride
- Cadmium
- Cadmium oxide
- Dipentyl phthalate (DPP)
- 4-Nonylphenol, branched and linear, ethoxylated
- Cadmium sulfide
- Imidazolidine-2-thione, 2-imidazoline-2-thiol
- 1,2-benzenedicarboxylic acid, di-C6-10-alkyl esters, mixed decyl and hexyl and octyl diesters
- Dicyclohexyl phthalate (DCHP)
- 4,4'-isopropylidenediphenol (BPA)
- 1,6,7,8,9,14,15,16,17,17,18,18Dodecachloropentacyclo[12.2.1.16,9.02,13.05,10]octadeca-7,15-diene ("Dechlorane Plus" TM)
- Octamethylcyclotetrasiloxane (D4)
- Decamethylcyclopentasiloxane (D5)
- Dodecamethylcyclohexasiloxane (D6)
- Lead

Perchlorates

The following Advantest products may also contain perchlorate.

Perchlorate Material - special handling may apply,

See www.dtsc.ca.gov/hazardouswaste/perchlorate.

Test System	T Series, B Series, and H series
Test Handler	M Series
E-Beam Lithography and SEM Metrology/ Review	F Series and E Series
Terahertz Analysis System	TAS7 Series and TS Series
Leading Edge Product	WM Series (AirLogger) and HA Series

Proposition 65

Proposition 65 is a law that protects the citizens of California from serious exposure to chemical substances that are known to trigger cancer, congenital anomalies or reproductive disorders.

The law requires companies and people conducting business in California to provide clear and reasonable warnings before knowingly and purposely exposing California's citizens to chemical substances on the Proposition 65 list.

Although Advantest products may contain chemical substances that are included in the Proposition 65 list, there is no risk of human exposure through skin contact, ingestion or inhalation if the products are used according to Advantest recommendations.

For this reason, Advantest has deemed that a warning label stating that a product contains chemical substances listed in Proposition 65 is unnecessary.

Based on customer requests, we can offer information on chemical substances included in Advantest products that are listed in Proposition 65.

Furthermore, as there is a risk of exposure to the chemical substances listed in Proposition 65 when handling Advantest products in a way that is not recommended by us, such as destroying or shattering the products, we recommend taking measures such as wearing dust masks, protective gloves, and ventilating to alleviate and reduce any risk of exposure.

Environment

Environmental Communication

This page introduces our environmental contributions and activities for biological diversity conservation.

Environmental Contributions

Basic Policy on Environmental Information Disclosure

The Advantest Group discloses information on environmental burdens and environmental protection activities by including such information in our reports and website, holding exhibitions, and so forth.

We believe it is important to share environmental information with our stakeholders and to reflect such information in our environmental management in order to continuously grow as a company without compromising our integrity.

We also engage in communication with local communities through various environmental protection activities.

Number of environmental compliance initiatives

	FY2016	FY2017	FY2018	FY2019	FY2020
Complaints from stakeholders	0	0	0	0	0
Serious violations of environmental laws	0	0	0	0	0

* Japan only until FY2015. Includes overseas from FY2016.

Environmental Information Disclosure

[Publication of the Sustainability Data Book](#)

Environmental Contribution Activities

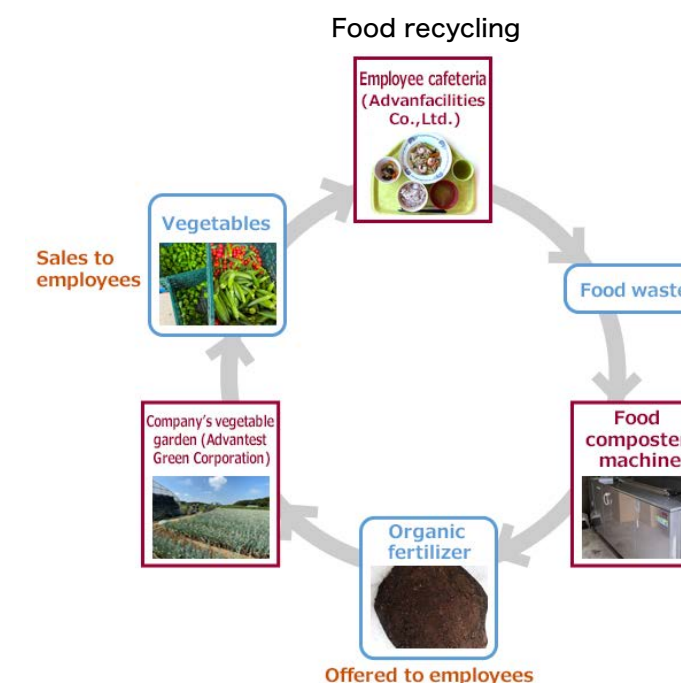
We endeavor to foster communication with a variety of stakeholders through environmental contribution activities.

Food recycling

Having updated the food composter machines in September 2020, the Gunma R&D Center engages in food recycling by utilizing kitchen waste from the employee cafeterias of three facilities in Gunma and Saitama prefectures. Processed garbage is converted into compost, which is provided to interested employees free of charge. After the compost matures, it is used to grow vegetables on our farm, which stretches over approximately 2,000m² of the premises of the Gunma R&D Center. On our farm, employees of Advantest Green grow pesticide-free vegetables throughout the year, and harvested vegetables are used in dishes served at the cafeterias run by Advanfacilities. We also make these vegetables available to our employees to purchase. Advantest thus promotes employee health while reducing food waste and implementing food recycling in collaboration with affiliated companies.



Our farm on the premises of the Gunma R&D Center



Forest conservation activity at the national forests of Mt. Akagi "Advantest Reiwa Woods"

Every year since 2007, Advantest has been conducting forest conservation activities. In 2019, Advantest concluded an agreement with the Gunma District Forest Office to use an area in Mt. Akagi for conducting its activities and named the area "Advantest Reiwa Woods". Conservation activities include pruning unnecessary



Setting up nets

Environment

branches with saws to bring in more light into the forest, and installing nets on trees to prevent deer from eating tree barks. The activities for FY2020 were cancelled due to the COVID-19 pandemic.

Environmental Impact Assessment

Advantest records and assesses the environmental burden on the area surrounding its business establishments, such as office waste water, in accordance with ordinances and pollution control agreements.

In addition, we are managing plants and cultivating biotope at our business establishments while considering biodiversity.

[Advantest's biotope](#)

Biodiversity

| The Advantest Group's Guidelines of Action for Biodiversity

To show our gratitude for the gift of nature created by biodiversity, and to recognize the significance of biodiversity in supporting the prosperity and the wellness of our society, the Advantest Group will carry out initiatives in conserving biodiversity and in contributing to the sustainable use of biological resources.

1. Understanding Environmental Impact

We identify, evaluate and share information on any aspect that may have a significant impact on biodiversity in the entire lifecycle of our business activities.

2. Understanding Biodiversity

We increase awareness and understanding of biodiversity among all employees so that they are able to engage in activities that give consideration to biodiversity in their business activities and daily lives.

3. Reduction of Environmental Impact

By seeking highly effective measures, and by carrying them out continuously, we reduce the impact of our business activities on biodiversity.

4. Cooperation with Stakeholders

We cooperate with a variety of stakeholders such as the government, educational organizations, NPOs, local residents and our business partners to promote activities related to the conservation of biodiversity.

| Biotope

Reflecting our commitment to living in harmony with nature, Advantest established a biotope eco-park in Gunma R&D Center in 2001 with the aim of helping to recreate the original, natural landscape of the Kanto Plain, a landscape that is being lost to development. This biotope is the largest of its kind established by any private company in Japan.

Advantest's biotope provides a venue in which Advantest employees can learn about the importance of protecting the global environment; the biotope is also used as a way to foster communication with local residents. 20 years have passed since the establishment, and the biotope now has an optimal environment for preserving the local ecological system and is playing a great role in protecting and growing threatened species. In addition, Advantest's



Current biotope

Environment

biotope provides an ideal environment for achieving an SDG target, "Goal 15: LIFE ON LAND".

* Biotope: The word comes from the German "Biotop", which in turn came from the Greek "bios" (life) and "topos" (place).



Biotope at the time of establishment

[Advantest's biotope](#)

| Place for the protection and cultivation of valuable plants

Since its establishment in 2001, our biotope has been dedicated to research on, protection of, and cultivation of the animals and plants that live there as well as the extermination of alien species under the guidance of Gunma University. We also utilize our biotope in our efforts to protect and cultivate boneset and floating heart, which are national near-threatened species and Gunma prefectural IA endangered species.

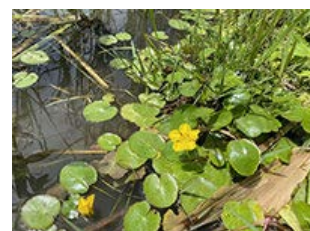
With regard to boneset, there are only five places where it grows naturally in Gunma Prefecture, one of which is Advantest's biotope. Advantest has been continuing these protection and cultivation activities for many years, which have led to the creation of an environment that enables the stable natural cultivation of bonesets.

With regard to floating heart, there is only one place where it grows naturally in Gunma Prefecture, and Advantest's biotope has been used as an evacuation shelter since 2012, where floating hearts grow steadily.

Moreover, from fiscal 2019, Advantest implemented emergency protection measures for native *Amsonia elliptica*, which were specified as a threatened species (IA) in Gunma Prefecture, and started protection and cultivation activities for them.



Boneset



Floating hearts



Amsonia elliptica

| An optimal environment for attracting owls

Our biotope even attracts owls. In FY2020, an approximately 40-cm-tall owl was seen several times in our biotope. As birds of prey, owls are atop the food chain (biological pyramid) of the forest ecosystem. The presence of owls indicates that this area serves as a habitat for many organisms in the ecosystem pyramid, proving that our biotope is significantly contributing to biological diversity.



The owl that flew into our biotope

| Began calculation of the biotope's CO₂ fixation speed

In FY2020, we resumed our initiative to calculate the CO₂ accumulation amount and fixation speed in our biotope's forest. This initiative is part of the collaborative research with Gunma University and will continue for the next three years. The research aims to calculate the amount of CO₂ accumulated so far and to determine how fast our biotope has fixated CO₂ over the past decade.



Nets for catching fallen leaves in the biotope



Employees working in the biotope

Amounts of accumulated and released CO₂ are estimated based on the weight of fallen leaves and tree volume

CO₂ that has been absorbed by trees through photosynthesis is accumulated inside the trees as carbohydrate (carbon fixation). As the trees grow, the amount of carbohydrate accumulated inside them also increases, thus increasing the volume of the trees. These trees also produce leaves, which die and fall to the ground after one to three years. Therefore, by measuring the volume of the trees and the weight of the fallen leaves at specific intervals, one can estimate how much CO₂ the trees have fixated (the amount of carbon fixation) over a given period of time. Meanwhile, the fallen leaves are decomposed by microorganisms living in the soil, which releases the accumulated carbohydrate into the air as CO₂, thus reducing the weight of the leaves. Therefore, by measuring the weight of fallen leaves atop the soil at specific intervals, one can estimate the weight reduction of the fallen leaves (estimate the amount of CO₂ released into the air based on the decomposed amount).

Special nets have been installed at several locations in our biotope in order to measure the weight and decomposed amount of fallen leaves. The volume of each tree is calculated based on its diameter and height. Based on this data, the amount of CO₂ accumulated in the trees and fallen leaves as well as the

Environment

amount of CO₂ released from the fallen leaves in the biotope are estimated in order to calculate the total amount of CO₂ accumulated throughout the forest. The CO₂ fixation speed of the biotype's entire forest is calculated by comparing the current amount of accumulated CO₂ with the level from the previous study conducted a decade ago.

Biotope



In accordance with our theme of coexistence with nature, Advantest established one of the largest biotopes to be created by a company in Japan, at our Gunma R&D Center in 2001, aiming to bring back to life the traditional rural landscape of the Kanto Plain.

Focusing on ponds, wetlands and streams, we have planted aquatic plants and trees that blend with the surrounding natural environment, aiming to form a network with that environment. It has grown into an ecosystem supporting diverse species of insects, birds and so forth.

The Advantest biotope is used for environmental education, enabling employees to learn about the importance of the global environment, and also as a place for communication with the local community.

* Biotope: The word comes from the German "Biotop", which in turn came from the Greek "bios" (life) and "topos" (place).

| Biotope Quarterly

We share seasonal observations of flowers and organisms that live in the biotope through photos. For the latest information, please refer to the Biotope Quarterly.

[📄 Biotope Quarterly](#)

Environment

| Biotope description

Location	336-1, Ohwa, Meiwa-machi, Ora-gun, Gunma Within the Gunma R&D Center site
Area	17,000m ² (100m × 170m)
Vegetation	▷ Tall trees: 30 species including kinds of oak (kunugi, konara, kashi) ▷ Medium-sized trees: 5 species including camellia, Japanese privet, etc. ▷ Shrubs: 15 species including kurume azalea, Japanese laurel, etc. ▷ Aquatic plants: 10 species including common reed, cattail, Japanese parsley, calamus, etc. ▷ Landscape: Composed of ponds, streams, ecotones*, meadows, woodland

* Ecotone: An environmental transition zone bordering on a different environment, such as the water's edge, grasslands, woodlands etc.

| Animals and plants living in our biotope

We introduce various animals and plants that live in our biotope through photos.



| Artificial insect habitats

We have put in place artificial insect habitats* within the biotope area, to support a variety of living creatures, and have kept track of how they are being used.

* Artificial insect habitats: piles of logs, stones etc.

Wooden artificial insect habitat

The surface is dry but it is moist inside, so reptiles and insects live and lay eggs there.

<Species observed>

Reptiles: snakes (eggs), Japanese grass lizard etc.

Insects: small stag beetle (larvae), assassin bug, seven-spotted lady beetle, etc.



Bamboo artificial insect habitat

Bundles of cut bamboo sticks were put on the ground and above ground. Insects live in the bamboo and in the gap between the bundles.

<Species observed>

Insects: a kind of wasp (Isodontia nigella), solitary wasp (Anterhynchium flavomarginatum micado), type of earwig (Carcinophora marginalis), etc.



Stone artificial insect habitat

A house in which large and small stones are arranged in a pile. Insects live under and in the gaps between the stones.

<Species observed>

Insects: Enma cricket, Loxoblemmus campestris, Panagaeus japonicus Chaudoir, etc.



Environment

| Advantest's Biotope Certified as a "Kanto Water & Greenery Network Stronghold"

In October 2015, Advantest's biotope was certified as one of the 100 "Kanto Water & Greenery Network Strongholds" curated by the Kanto Regional Management Service Association and the Ecosystem Conservation Society of Japan.

The two groups select and support important locations in the Kanto region that contribute to preserving and restoring biodiversity. Our biotope was chosen for inclusion based on our success in establishing a stable ecosystem, the scale of the project, our management structure, and the high level of academic knowledge that goes into the biotope's maintenance.



Presentation Ceremony

[More about the 100 Kanto Water & Greenery Network Strongholds](#)

| Birdpia

October 15th, 2011, the Gunma R&D Center (located in Meiwa-machi, Ora-gun, Gunma Prefecture) registered itself with the "Birdpia" activities organized by the Japanese Society for Preservation of Birds.

According to the Society, Birdpia is a green space for wild birds to live in a comfortable environment. The purpose of the Birdpia is to help people understand the importance of cohabitation with nature.

The facility of the Gunma R&D is surrounded by rich arboriculture, which functions as a habitat of wild birds. The property also has an extensive biotope with an area of approximately 17,000m². Many plants and animals, including the Intermediate Egret (*Ardea intermedia*) listed as a Near Threatened bird in the Red List of the Ministry of the Environment in Japan, live in this biotope. When winter arrives, more than 50 wild ducks appear in the biotope and delight the eyes of our employees, as well as the primary school children and the neighborhood residents who visit the biotope.



Acrocephalus arundinaceus inhabiting in the biotope

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Society

Employment and Diversity

We are actively taking steps to promote global human resource exchange; we actively hire foreign graduates, promote the hiring of women, increase the share of female managers through promotion, and promote education planning focused on young and mid-career employees. We aim to be a company that can effectively utilize diverse human resources.

Human Resources Basic Philosophy

Advantest respects employees, who are valuable assets to the company, and evaluates them fairly. Advantest is supporting the diverse lifestyles of employees as well as the growth of individual employees so that they grow together with the Company. Advantest established the human resources basic philosophy in September 2000 to protect these valuable assets and enhance their value, and is implementing various human resources measures, such as ensuring fairness and consent and actively supporting human resources development.

Advantest also supports the United Nations Global Compact 10 Principles, Universal Declaration of Human Rights, and Guiding Principles on Business and Human Rights, and is paying adequate attention to these principles of human rights and labor in its business activities.

Advantest's Human Resources Basic Philosophy

Regarding its employees as valuable management resources (assets), Advantest has formulated the following policies for implementing various human resources measures and has been making continuous efforts to achieve them.

1. Performance-based personnel system

Advantest will promote a personnel system where employees who overcome difficulties and achieve innovative results by challenging themselves are highly evaluated and fairly treated.

2. Fairness and consent

Advantest will ensure that all its policies and systems are objectively fair and gain consent from employees, so that the maximum and optimal results can be achieved with these policies and systems.

3. Active support for human resources development

Advantest will actively support employees who make continuous efforts to refine their skills, acquire greater expertise, and broaden their knowledge.

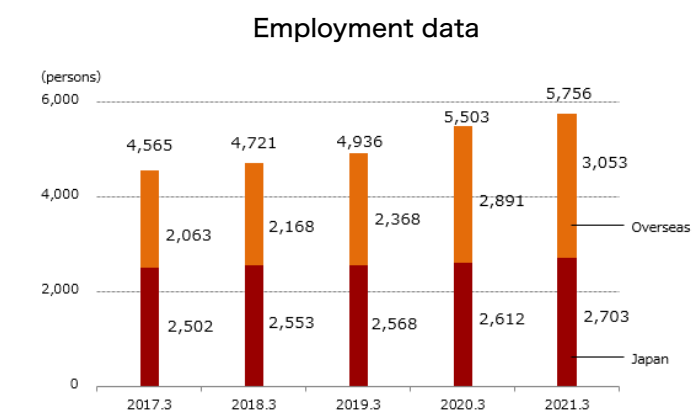
Diversity Management

Active participation of each employee is crucial for a company's sustainable growth. Thus, Advantest has "INCLUSION AND DIVERSITY" as one of its core values. We believe that creating a comfortable and inclusive workplace environment and instilling working practices that maximizes employee capabilities while balancing work and home is imperative to a company. Under this philosophy, Advantest actively works to create a workplace and corporate culture that allows each employee to maximize their capabilities and individuality, and continue to work with great enthusiasm.

Employment Data

Advantest Group has formulated a basic policy to promise that it respects the human rights of individual employees, eliminate discrimination based on race, gender, age, nationality, religion, social status, disability, disease, sexual orientation, and so on. Advantest is also eliminating discrimination in employment and promotion and actively employing, developing, and promoting personnel who can play a leading role in global situations.

The graph below shows the trends in the number of employees.



Society

Number of employees by region

		FY2018			FY2019			FY2020				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	2,152	416	2,568	2,146	466	2,612	2,213	490	2,703	18.1%	47.0%
Overseas	Asia	771	236	1,007	836	273	1,109	905	290	1,195	24.3%	20.8%
	Europe	613	128	741	676	143	819	720	153	873	17.5%	15.2%
	North America	512	108	620	764	199	963	756	229	985	23.2%	17.1%
	Overseas total	1,896	472	2,368	2,276	615	2,891	2,381	672	3,053	22.0%	53.0%
Total		4,048	888	4,936	4,422	1,081	5,503	4,594	1,162	5,756	20.2%	

* Boundary of data: Advantest Group

Number of managers by region

		FY2018			FY2019			FY2020						
		Male	Female	Total	Male	Female	Total	Male	Female	Total 	Percentage of female employees 	Percentage by region	Number of locally recruited employees	Promotion rate of locally recruited employees
Japan	Japan	503	12	515	483	13	496	486	15	501	3.0%	41.4%	501	100.0%
Overseas	Asia	210	40	250	218	40	258	226	43	269	16.0%	22.2%	255	94.8%
	Europe	170	16	186	183	17	200	200	19	219	8.7%	18.1%	215	98.2%
	North America	187	19	206	204	21	225	198	24	222	10.8%	18.3%	217	97.7%
	Overseas total	567	75	642	605	78	683	624	86	710	12.1%	58.6%	687	96.8%
Total		1,070	87	1,157	1,088	91	1,179	1,110	101	1,211	8.3%		1,188	98.1%

* Boundary of data: Advantest Group

* Definition of managers: Level 7 or higher in the 10-level qualification system. In this 10-level qualification system, Job Levels 1 to 6 are applied to general employees and Job Levels 7 to 10 to managers.

* Figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Society

Number of employees by type

	FY2018			FY2019			FY2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	3,827	803	4,630	4,108	940	5,048	4,242	1,019	5,261
Non-full-time employees	221	85	306	314	141	455	352	143	495
Total	4,048	888	4,936	4,422	1,081	5,503	4,594	1,162	5,756

* Boundary of data: Advantest Group

Number of employees by age

Female	FY2018			FY2019			FY2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age -29	329	118	447	380	156	536	443	156	599
Age 30-39	692	197	889	752	225	977	793	258	1,051
Age 40-49	1,411	297	1,708	1,394	318	1,712	1,347	334	1,681
Age 50-59	1,236	163	1,399	1,355	208	1,563	1,415	228	1,643
Age 60-	159	28	187	227	33	260	244	43	287
Total	3,827	803	4,630	4,108	940	5,048	4,242	1,019	5,261

* Boundary of data: Advantest Group (full-time employees only)

Number of new employees

		FY2018			FY2019			FY2020				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Percentage of female employees	Percentage by region
Japan	Japan	20	4	24	43	14	57	41	15	56	26.8%	14.7%
Overseas	Asia	102	24	126	97	47	144	110	30	140	21.4%	36.7%
	Europe	54	10	64	62	18	80	58	17	75	22.7%	19.7%
	North America	95	26	121	223	84	307	77	33	110	30.0%	28.9%
	Overseas total	251	60	311	382	149	531	245	80	325	24.6%	85.3%
Total		271	64	335	425	163	588	286	95	381	24.9%	

* Boundary of data: Advantest Group (full-time employees only)

Society

Employee turnover

		FY2018			FY2019			FY2020				
		Male	Female	Total	Male	Female	Total	Male	Female	Total 	Percentage of female employees	Percentage by region
Japan	Japan	28	5	33	32	12	44	13	2	15	13.3%	8.6%
Overseas	Asia	37	4	41	34	11	45	37	16	53	30.2%	30.5%
	Europe	22	7	29	18	1	19	9	4	13	30.8%	7.5%
	North America	32	5	37	29	8	37	84	9	93	9.7%	53.4%
	Overseas total	91	16	107	81	20	101	130	29	159	18.2%	91.4%
Total		119	21	140	113	32	145	143	31	174	17.8%	
Turnover rate		3.21%	2.79%	3.14%	2.95%	3.99%	3.13%	3.48%	3.30%	3.45%		

* Boundary of data: Advantest Group (full-time employees only)

* Figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

* From December 2019, the method of aggregating the number of employee turnover has been changed from including month-end employee turnover in the number of employee turnover on that month to including them on the next month.

Society

Employment and Utilization of Global Human Resources

In order to further expand its business globally, Advantest has been recruiting personnel who have deep cross-cultural understanding and communication skills and can work in a global arena, and in response to the increasingly borderless business environment, Advantest has also been committed to building systems and hiring, nurturing, and assigning personnel through a global perspective to promote the globalization of human resources development and organizations through personnel exchange among group companies. For instance, Advantest will continue personnel exchange among group companies so that employees can experience working in a global environment, and share their skills and know-how through routine work and training in each organization so that individual employees can acquire more advanced skills, including skills to adapt to various business environments.

In order to make personnel exchange easier, Advantest has been globally implementing the "Global Transfer Policy," a system that offers fair treatment and enables personnel exchange on a global level, regardless of job type.

As of March 2021, 10 out of 24 executive officers, who are management personnel, have foreign nationalities, and employees from 11 countries are currently working for Advantest Corporation. Advantest will give fair opportunities to talented personnel, regardless of their nationality, and promote global personnel development and organizational globalization through borderless personnel recruitment and exchange.

Promotion and Utilization of Female Employees

Advantest always accepts diverse values and is promoting the creation of a corporate culture where everyone can work regardless of race, gender, age, and nationality.

However, as of March 2021, the percentage of female employees to total employees is 20.2%, and the percentage of female managers to total managers is 8.3%. For Advantest Corporation (non-consolidated), the percentage of female employees is 16.3%, and the percentage of female managers is 2.8%. Increasing the numbers of female employees and managers is an urgent task.

Advantest has been recruiting students with a technical background, which has not motivated female students to take entrance exams for Advantest in recruitment activities. In light of these circumstances, Advantest has been strengthening public relations activities for women with a focus on conveying the attraction of Advantest to female students, particularly those with a technical background. Information on active women in the workforce has been disseminated through corporate websites and recruitment brochures, and at recruitment events, Advantest has explained about programs and career plans for female

employees and introduced how women are working at Advantest.

From FY2018, Advantest Corporation (non-consolidated) has set numerical targets to boost the ratio of women in management positions to meet or exceed the industry average based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and has been making efforts toward this goal. In November 2020, we acquired "Certification level 2 (two stars)" of the 'Eruboshi' certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace. We give consideration to the various changes in female employees' life stages, with a focus on providing support to enable good work-life balance through flexible working styles that correspond to each individual's circumstances.

Advantest will move forward with initiatives to raise the female employee ratio and establish systems for long-term employment toward increasing the ratio of female employees in management positions.

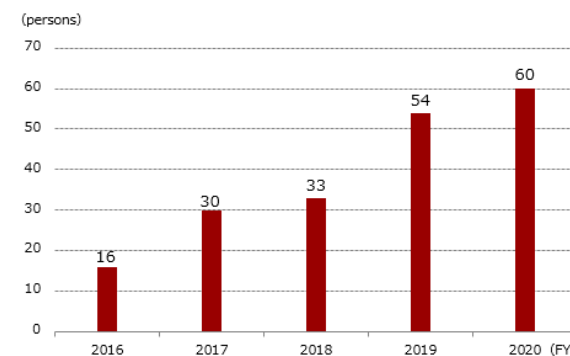
Active Utilization of Senior Employees (Japan)

Following the amendments to the Act on Stabilization of Employment of Elderly Persons in April 2013 and the increase in the minimum age for pension eligibility by the government, Advantest has revised its re-employment program for utilizing employees who retire at the age of 60. Advantest is actively utilizing the skills and know-how of experienced employees by employing senior personnel steadily and treating and assigning them to jobs with consideration towards their past experience and assigned positions during their working years. In addition, Advantest has established a system to reflect each individual's achievements in their wages to motivate senior personnel and expect them to produce results that match their wages. Furthermore, in FY2018, Advantest introduced a system where employees are allowed to reduce their working hours or days as desired and have a second job on non-working days. In FY2020, of the 60 individuals who started with our re-employment program, three employees are working shorter hours and four are working shorter days. Advantest believes that this system will allow senior personnel to work more flexibly according to their lifestyles, contributing to further enhancing work-life balance.



Society

Trends in the number of employees who use the re-employment program



* Boundary of data: Advantest Corporation (non-consolidated)

Advantest is tallying the number of employees who have started using the re-employment program.
(These numbers do not include those who have been using the program since the previous year.)

Employment of the Disabled

In order to promote the employment of the disabled, Advantest established a special subsidiary company, Advantest Green Corporation, in September 2004. Since its establishment, this company has been working to promote stable employment of the disabled under the slogan of "Independence of individuals and growth of society."

Its core business includes landscaping, cleaning, reception work, delivery, sale of bread, and management of dormitories. Advantest Green is providing workplaces where its employees can work comfortably, and is also actively collaborating with local communities and relevant organizations to develop workplaces where disabled and non-disabled people can work together.

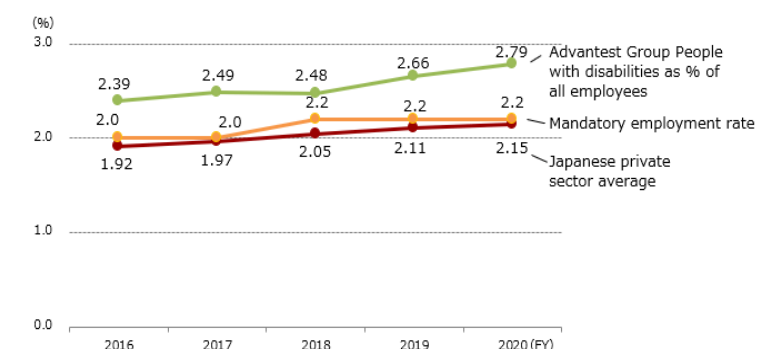
As of June 2020, Advantest's employment rate of the disabled is 2.79%, which exceeds the mandatory employment rate. However, Advantest will continue to actively promote the employment of the disabled to address future amendments to the mandatory employment rate.

Specifically, Advantest will promote initiatives such as standardization of work procedures and work visualization to create a work environment in which employees with disabilities will be able to work to their full potential, and also refer our workplace as one in which people with various disabilities can actively participate to outlets such as special-needs schools. We also actively accept training and visitation requests for employment as well as consider new job categories. We are also exploring new occupational fields. This is especially true in our recycling operation, in which Advantest has been promoting initiatives for new job opportunities, such as incorporating PaperLab paper machines, which can produce new paper from used paper such as rejected documents, in order to launch a business that manufactures and provides items such as copy paper, business cards, and calendars made from recycled paper. We also actively implement

initiatives to expand systems for goals and awards to enhance motivation such as "meaningfulness" and "satisfaction," and to support independence, including relocation from one's household or foster home to group homes. Additionally, Advantest assigns qualified staff including job coaches and counselors for the disabled to each workplace, along with conducting regular four-way meetings with support organizations, the company, and family members, as well as individual lunch meetings for early detection and information sharing on issues, in order to offer workplace support catered to the characteristics of employee disabilities. In FY2020, these initiatives and the many efforts made by our employees over the years were recognized by Saitama Prefecture, and employees of Advantest Green received awards: one employee received the "Saitama Governor's Commendation," while two others received the "President's Award from the Saitama Prefecture Employment Development Association" as excellent workers with disabilities.

Currently, 13 highly motivated disabled employees are working at overseas affiliated companies.

Trends in the percentage of disabled employees



* Boundary of data: Advantest Corporation (non-consolidated)+Advanfacilities Co., Ltd.+Advantest Green Corporation

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Society

Supporting Diverse Working Styles

We create a work environment that facilitates the achievement of a good work-life balance in order to support our employees' diverse lifestyles and individual development.

Initiatives for Work-Life Balance

Advantest believes that the realization of a good work-life balance will ultimately contribute to the improvement of corporate value. We believe that a well-balanced work style is necessary to allow employees to maximize their capabilities while balancing their private life with work, and to maintain their motivation. Based on this philosophy, Advantest has continued to create good working environments that offer flexible working systems.

In Japan, Advantest has been promoting active use of existing systems, such as days to leave the workplace at the appointed time, use of annual paid leave, and flextime (for all employees). The ratio of employees using annual paid leave usage (23 days a year (22 days for employees with less than 10 years of continuous service)) has been maintaining a high standard at around 70% each year.

In April 2020, a working from home system for all employee and a new home office working system were newly established. Advantest aims to expand systems in which many employees will be able to conduct flexible and efficient work according to their tasks, work styles, and lifestyles.

Work-Life Balance Programs for Childcare and Caregiving

Advantest actively promotes support programs for balancing work and private life, providing flexible ways of working according to each individual's situation at various stages in employees' lives.

Examples of support programs in Japan

Pregnant employees can receive 100% compensation during pregnancy hospital commutes and pregnancy complications leave, as well as selecting to work shorter hours if directed to by a doctor. Advantest offers childcare leave and caregiving leave that exceeds legal standards. Childcare leave can be taken until the child reaches the age of two years and three months, and caregiving leave can be taken for a maximum of three years. Other leave programs are also widely used, such as the accumulated holiday program, which can be taken for a variety of reasons including a spouse's childbirth, childcare, fertility treatment, and other caregiving. Furthermore, Advantest offers shorter work hours for employees who are raising children or offering nursing care. Shorter working hours for childcare can be used until the child reaches the sixth grade, and is currently being used by many employees with children to balance work and childcare. There is

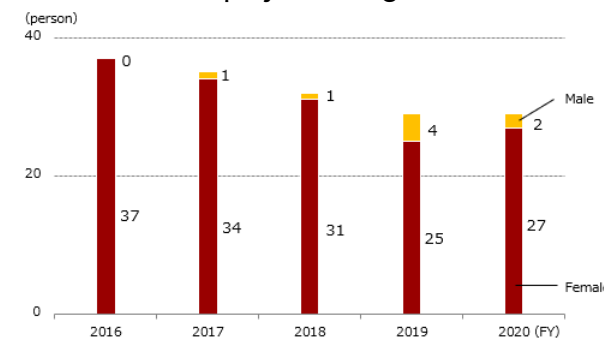
no restriction on the period in which employees can work short hours for caregiving, so that employees can work in accordance with their situation.

As there are cases in which employees have no choice but to leave the company, such as marriage, childbirth, childcare, caregiving for the family, and spouse job relocation, Advantest has established a re-employment program for employees who meet a certain criteria.

It should be noted that re-employment following childcare leave was 100% in fiscal 2020.

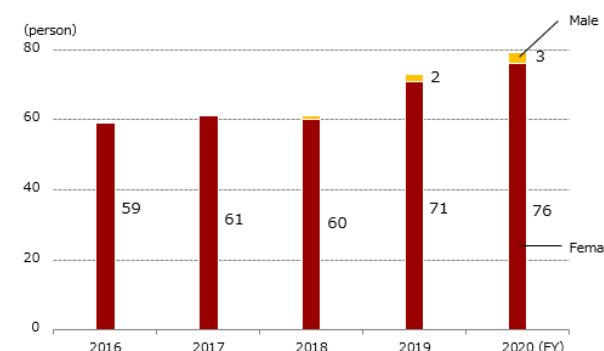
We are also working on support for active childcare participation for fathers, which includes the provision of personal consultations for male employees who are raising children and their supervisors, guidance on childcare-related systems, and support for using childcare leave. Promotion of remote working is also a factor that has boosted fathers' participation in childcare. We believe the reason the ratio of male employees taking childcare leave was only 5.1% in FY2020 is because remote working created an environment that allowed for more flexible styles of raising children. Advantest will continue to support fathers' participation in childcare by offering individual consultations for fathers raising children.

Number of employees using childcare leave



* Boundary of data: Advantest Corporation (non-consolidated)

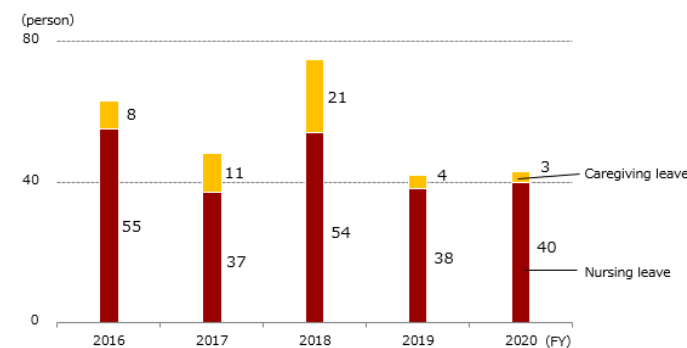
Number of employees using shorter working hours for childcare



* Boundary of data: Advantest Corporation (non-consolidated)

Society

Number of employees using caregiving and nursing leave



* Boundary of data: Advantest Corporation (non-consolidated)

Evaluation of Activities Supporting Work-Life Balance

In Japan, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, efforts were made (measures and initiatives to increase the ratio of fathers taking childcare leave and creating environments that support work-life balance, and initiatives to reduce overtime and promote the use of annual paid leave) in accordance with the action plan period from April 2018 until March 2020. These activities were recognized, and Advantest received the "Kurumin" certification in February 2021. Furthermore, our group company Advanfacilities Co., Ltd. obtained the "Kurumin" certification in 2011 and 2014, and received the "Platinum Kurumin" certification in 2019 in recognition of its efforts and achievement of higher goals. We will continue to focus on each employee's work-life balance and promote various initiatives toward creating work environments in which diverse human resources can play active roles.



Promotion of Work-Life Balance Programs

In Japan, Advantest launched the "Work-Life Balance Support Guide" website on the company intranet in 2007, offering information on work-life balance programs that can be used according to one's lifestyle, and raising awareness of the various programs that Advantest provides and encouraging utilization of the same. In recent years, Advantest has actively announced the work-life balance program and also developed an environment that allows easier consultation, such as establishing a consultation service, to promote an environment in which employees can use work-life balance programs with peace of mind.

Reducing Overtime Hours

Advantest strives to ensure employees work appropriate hours to protect their health and achieve a work-life balance.

The Advantest Corporation (non-consolidated) has set the goals specified below and focused on increasing operational efficiency, encouraging a change in employee mindsets, and making the most of available work arrangements such as flextime and shift work while striving to reduce the amount of overtime.

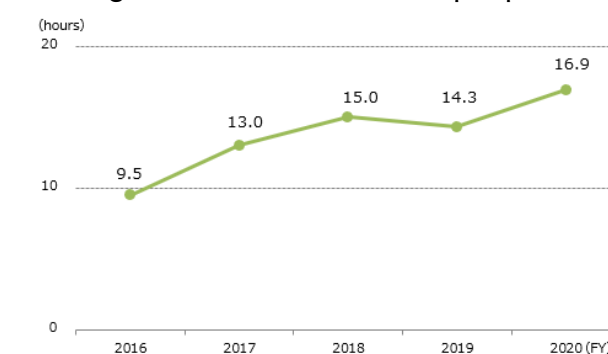
Our overtime reduction goals

Number of employees with a monthly overtime of 80 hours or more	0
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In FY2020, efforts were made to reduce overtime work based on the action plan prepared under the Act on Promotion of Women's Participation and Advancement and the Act on Advancement of Measures to Support Raising Next-Generation Children, raising awareness via the company intranet and promoting initiatives to achieve flexible work styles in order to further reduce the number of overtime hours.

Despite these initiatives, we were unable to achieve our company plan of zero employees working 80 hours or more of overtime per month for FY2020. We were unable to achieve these goals due to keeping up with increased production and delivery support as well as dealing with unexpected problems. The overtime hours per employee for FY2020 were an average of 17.8 hours (for Advantest Corporation (non-consolidated)) as of March 2021. In addition to the impact of COVID-19, how break times are handled was changed in order to develop an environment in which more diverse ways of working could be selected, which led to an increase in the number of overtime hours.

Average overtime hours worked per person



* Boundary of data: Advantest Group (Japan, China, Korea)

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

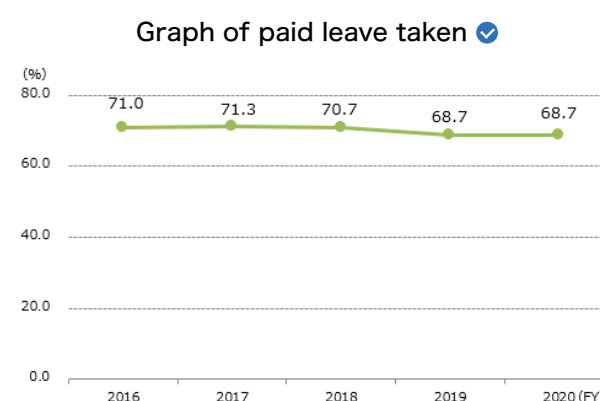
* Overtime hours are included for management positions with no subordinates (For Korea only).

Society

Annual Paid Leave and Other Leave Systems

We encourage employees to take annual paid leave (up to 23 days per year) according to the job schedule of each person, work-life balance, and other work conditions to realize work-life balance at Advantest (non-consolidated). In addition to planned paid leave (6 to 12 days each year), we have also introduced multipurpose consecutive leave (3 days a year) and refresh leave (3, 5, and 8 days of leave given to employees after working continuously for 10, 20, and 30 years, respectively). Furthermore, annual paid leave that will be lost can be carried over as cumulative paid leave for 5 days a year up to a maximum of 30 days to use for reasons that include injury to the employees themselves or the need to take care of a child or family member as well as volunteering, self-development, infertility treatments, or to help with donor activities.

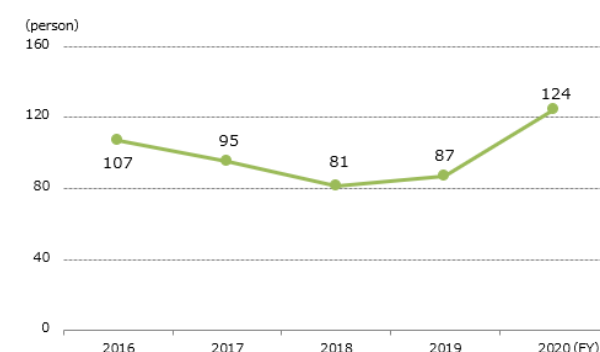
As a response to COVID-19, Advantest also allows employees who are not able to work from home to take accumulated leave in the event that they are confirmed to have been in close contact with someone who has been found to be infected with COVID-19, or if they do not feel well after undergoing COVID-19 vaccination, etc.



* Boundary of data: Advantest Corporation (non-consolidated)

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

Number of employees taking accumulated holiday



* Boundary of data: Advantest Corporation (non-consolidated)

Engagement Survey

Advantest has conducted the Global Employee Engagement Survey (hereinafter referred to as the "survey") to measure the engagement levels of its employees. The survey was first conducted in 2018. Although the second survey was scheduled for FY2020, it was postponed due to the spread of COVID-19 and has been rescheduled for October 2021.

Purpose

Advantest continuously pursues a culture in which all employees are appreciated, respected, and work together to achieve common goals. The purpose of this survey is to provide employees with opportunities to share their thoughts on our company or organization. It stimulates dialog between the manager and team, which creates ideas for improving our company or organization from every level. The survey results provide a clue to knowing what the employees think of their work or work environment and how the company can support its employees. The survey makes it possible to identify the company's strengths and the fields that require improvement through open feedback from employees. In addition, we will take actions for improvements so as to raise the level of employee engagement in work and workplace environments, with the aim of improving the performance of the company as a whole as well as the performance of individual employees.

Employee engagement

Employee engagement refers to the emotional commitment of employees to their organization or its goals. An employee who is engaged in work does not only do what is minimally required, but goes about his/her work enthusiastically and energetically, with an effort to output more than what is required. According to a survey conducted by Gallup, Inc., engagement among employees worldwide is only 15%. In addition, it has become clear that there is a connection between employee engagement and the following indexes.

- Profitability, customer ratings, and productivity (in direct proportion)
- Turnover, absenteeism, safety incidents, and quality defects (in inverse proportion)

Implementation of survey

The survey during fiscal 2018 was conducted from October 16th to 30th for all 4,827 employees of the Advantest Group who had been employed for three months or longer at that point. The response rate was 91%. The survey was conducted using the platform of Gallup Inc, in an online format in which anonymity is ensured.

Society

Results

Unfortunately, the scores of the 12 key questions in the Gallup survey were lower compared to those of other companies. In particular, situations were assumed from the survey results, where supervisors are not carrying out communication with their subordinates' growth firmly in mind. These results were communicated to all employees by President and CEO Yoshida via e-mail, and were explained by the president and general manager of each department of each affiliate throughout the world to their employees. Although the results were not very good, we believe that the survey was an important step in showing the transparency of the company or the attitude of working on the improvement of engagement.

Future plans

The next important task is for all members of the company, from management staff to line managers and employees, to become involved in the development and execution of action plans based on the survey results. Our goal is to use the survey results to improve corporate performance and customer satisfaction while boosting employee engagement. Whether the executed action plans, which include "The Advantest Way" workshops conducted from 2019, have led to improved engagement levels will be checked in the next and subsequent surveys.

Activities to Further Boost Engagement

The results of the 2018 Gallup employee engagement survey provided us an opportunity to reflect on our attitudes and mentality towards work. Various divisions have adopted spontaneous approaches to workplace improvement under a shared concept of "two-way communication." Examples of these approaches include divisions that used tools to visualize their current statuses and other divisions that have sought to improve engagement by incorporating innovative approaches into their existing activities.

Examples of visualization tools

The Technology Development Group (Japan) started workplace improvement activities in January 2020. Group discussions on various aspects of the work environment enabled them to recognize the importance of establishing opportunities for communication. Despite their awareness of the importance of communication, the development division tended to be overwhelmed by deadlines. Due to this, in October 2020, they decided to incorporate a tool to create a platform for communication. The members promoting this initiative chose to make participation optional in order to emphasize autonomy, and they created a flexible system in which the team could decide who does and does not participate. This program was launched in April 2021, whereby team dialogues after surveys and improvement activities create a cycle that is implemented every three months.

From FY2019, the Production Group (Japan) has continued to incorporate survey tools monthly to confirm the conditions of employees in selected divisions. This enables them to grasp organizational and individual issues in a timely manner, and these efforts are supported by interviews, etc.

Furthermore, amidst the COVID-19 pandemic, in which employees have been taking measures to prevent infection such as telecommuting, restrictions on F2F opportunities, etc., have made two-way communication difficult. Given this, initiatives such as the monthly online distribution of messages from the Executive Vice President, surveys of employee opinions, and the introduction of digital signage within factory have been actively implemented.

Example of evolution: From Coffee Talk to FS Global Coffee Talk

The Field Service Group (FS) Coffee Talk, which had been held by regional units whenever the Executive Vice President went on overseas business trips, could not be conducted due to the COVID-19 pandemic. In June 2020, discussions were held on methods to boost motivation by acknowledging one another's activities by connecting management with on-site personnel. This gave birth to a new Coffee Talk, FS Global Coffee Talk, which launched in July 2020.

FS Global Coffee Talk is held online every quarter, and it provides an opportunity to recognize team members through the FS INTEGRITY Award. To apply for this award, participants clearly indicate which aspect of the core value of "INTEGRITY" was the focus after their activities are recommended by the manager of a functional unit. FS Global Functional Leaders serve as judges, and the award is bestowed by the Executive Vice President. Commended members may also include collaborators from other divisions.

FS Global Coffee Talk offers two-way communication via chat, enabling all team members to simultaneously access the thoughts of the Executive Vice President and status reports of the top managers in each region. Commending activities encourages and piques the interest of colleagues, which in turn results in the reinforcement of the entire FS Group's strengths.

Creating a Workplace with Higher Job Satisfaction

Advantest has been striving to realize good work-life balance for all employees and to create a work environment in which each and every employee can work with higher job satisfaction.

Society

| Awarded as a "Workplace with Excellent Job Satisfaction" (Germany Great Place to Work®)

Advantest Europe GmbH (Germany) has participated in the surveys of the international human resources consulting agency "Great Place to Work®" every other year since 2017, and has been recognized as a "Great Place to Work®" each time. Great Place to Work® evaluates companies of all sizes, industries, and regions, and annually releases a top 100 list of "Great Place to Work®" based on solid relationships of trust within the workplace and whether each employee can make the most of their potential. Awards are offered to companies that collaborate with their employees in a fair and sincere manner with a powerful sense of unity. In the anonymous benchmark tests related to corporate culture conducted by Great Place to Work® on Advantest's employees, the company obtained the highest marks in various categories.

In addition, workstyle reform is being tackled in each Group company in order to create workplaces where all employees can work while having a sense of worthwhile.

| Promotion of Digital Workplace Activities #myADV

Advantest started #myADV digital workplace activities (#myADV) in May 2020 in order to promote global operations and diverse ways of working for employees.

#myADV is promoted by the Global IT Collaboration team and supports volunteer #myADV guides (230 guides as of the end of July 2021). Specifically, the Global IT Collaboration team conducts coaching sessions for #myADV guides twice a week to support company-wide dissemination and use of collaboration tools. #myADV guides who have participated in these sessions conduct training for employees at each company, enabling information to be provided to employees in a consistent manner.

Although the global COVID-19 pandemic started just as this initiative began to be put into action, #myADV activities have been progressing well, adapting to telecommuting, which was a goal during the initial year. Going forward, training for employees across the entire group will be implemented to boost the level of tool usage, along with the development of new tools and functions, aiming to maximize team collaboration using digital technology.

Human Resources Development, Fair Evaluation and Treatment

We develop professional employees with global-level skills. In addition, we actively support employees who diligently strive to undertake self-directed study.

Human Resource Development Policy

Making investments in human resources is essential to implement our mid- and long-term strategies, and we will strengthen the foundation to expand our business through the development of global and frontier human resources while pursuing customer value.

To enhance corporate value in the long run, we need to ensure that employees clearly understand their role and make efforts to develop their capabilities. We expect our employees to show initiative with respect to refining their skills, and at the same time we encourage them to effectively leverage their respective strengths in the global business arena as part of our team.

Moreover, exceptional management ability to harness combined group capabilities plays a crucial role in turning innovative ideas (innovation) into products and delivering them to the market.

Therefore, Advantest strives to develop human resources based on the three following policies in our Human Resource Development Policy.

We focus our efforts on developing an adventurous spirit among our workers, providing our workers with a cosmopolitan outlook, and upgrading management skills as the key points for producing a professional workforce that is capable of navigating the global business environment, and we actively support employees who work consistently to refine their skills, acquire greater expertise, and broaden their knowledge.

Society

Development of globally competitive professionals



Education and Training System and Implementation Status

Advantest has prepared a training program that anyone can participate in, and where a wide range of topics can be learned, from basic knowledge up to the latest technology trends. In addition, we will continue to make improvements to adapt the training program to the changing environment, and to provide industry-leading superior human resource training through this program, in cooperation with Advantest Academy, which specializes in employee education.

To adapt to the business environment that is drastically changing due to globalization, we are strengthening the human resources development training system in line with the above-mentioned human resources development policy. To make this training even more effective, we are forging and implementing new programs, including the expansion of our global training program. New programs will be delivered by specialists to make them more effective, and we will selectively use in-house or external lecturers depending on the program content.

At each Group company, we will also provide a wide range of education to increase the skills and expertise of individuals based on the needs in each country and region in addition to education through day-to-day operations.

For example, Advantest (China) Co., Ltd. holds algorithm contests that reinforce comprehension of algorithms, which are useful in daily operations. Furthermore, the company also regularly holds events under

the name of Training Day. Several seminars based on themes are provided by internal instructors. These seminars create a culture of mutual learning through both instructor assessment and a commendation system. We aim to develop a system that boosts the level of the entire Advantest Group by sharing information on these efforts between Group companies.

Training in Japan

Measures taken in response to the COVID-19 pandemic during FY2020 promoted the evolution of online lectures, seminars, and training. We incorporated web conferencing systems to provide opportunities to learn despite the pandemic, offering environments for training that did not require coming in to work. Participants could learn technical skills and knowledge systematically, like in group training, and online training proved to be effective in boosting employee motivation through mutual awareness building and the establishment of horizontal ties across the company.

Furthermore, we have incorporated Study Sapuri English as language materials for self-development in order to emphasize language education. This program makes the most of time spent at home due to the COVID-19 pandemic, enabling employees to effectively use their spare time through micro-learning and making it easier for learners to find time to study. 124 participants took this course, which contributed to boosting TOEIC scores.

As part of our leadership development initiatives, we introduced a liberal arts educational program to cultivate a sense of culture and have participants obtain the "power to think" by themselves. This initiative develops the big picture of what is necessary for leaders from wide perspectives that include religion and philosophy as we enter a new era post-pandemic.

Main education system

	Executives	Managers	Leaders	New employees
Education by employment level	Corporate Governance Training	Manager Training	OJT Leader Training	New Employee Training
Selective Education	Next-Generation Education			
Human Resource Management Education	Communication Training, Coaching Training, Training to Improve Ability to Develop Subordinates			
Global and Business Skills Education	Global Communication and Cross-Cultural Communication Training			
	Business Skills Training			
Technology Training	Internal Technology Training			
	External Technology Training			

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At the Advantest Corporation (non-consolidated) in FY2020, a total of 2,613 employees received training of some kind, and the average number of training hours per employee was 12 hours for 31,422 hours of total lesson time.

Training category	Target	Number of trainees	Lesson time (hours)
Business Training (human resource management, etc.)	Managers, General	1,157	6,761
Technical Training (technology)	Managers, General	577	1,955
e-learning (human resource management, etc.)	Managers	159	1,300
New Employee Training (by job level)	General	33	14,874
Language/TOEIC (global)	Managers, General	596	5,533
Outside seminars (e.g., on business skills, etc.)	Managers, General	91	999
Total		2,613	✓ 31,422

* Data range for tabulation: Advantest Corporation (non-consolidated) data

* Figure marked with the ✓ symbol is assured by KPMG AZSA Sustainability Co., Ltd.

Development of Engineers (Japan)

We place particular emphasis on educating engineers, with the aim of ensuring that our products continue to underpin leading-edge technologies.

We have created a training program accessible to every employee of the Group and covering a wide range of subjects, from basic knowledge to the latest technologies.

In FY2020, 577 engineers participated in the various technology seminars and technical training that were provided.

The program now includes seminars hosted by Advantest's senior engineers. For example, one of the seminars featured a lecture on design quality by an employee in charge of design, thereby shedding light on the basic technologies required to maintain and improve product quality based on the speaker's first-hand experiences. Courses are held with invited instructors based on requests from engineers or management-level personnel, so as to support them in adapting to a rapidly-changing business environment.

The program acts as a means of imparting not only technical knowledge but also Advantest's corporate DNA to future generations.

Software-Related Education

We have been conducting software engineering forums six times a year for the past 20 years. In these forums, cutting-edge information on topics such as agile, deep learning, and continuous integration (CI) development methods is provided by internal and external instructors. In October 2019, Advantest Engineering Friday was established as a place where employees can share their findings with each other on a continuous basis. Multiple subcommittees have been started from here, and they regularly meet up on Friday afternoons as a separate community from the organization where they can learn from each other.

Other Courses on Advanced Technologies

We invite external instructors and provide courses on the latest technological trends such as AI as well as courses in which experienced instructors share their breakthroughs.

In FY2019, we developed an environment that enables our employees to participate in Massive Open Online Courses (MOOCs) on AI on a trial basis. It is now possible to participate in deep learning and machine learning courses on Coursera, which offers courses from Stanford University and other renowned universities and organizations. Programming and English skills are required to solve problems in these courses, thus prompting participants to work together while helping each other, which contributes to improving the levels of engineers.

We are planning to increase the number of participants in such courses inside the company, including new employees, as well as to establish an environment that supports participants so that they can utilize the content that they have learned.

In addition to in-company training, we are also providing support for on-campus courses, so as to support the motivation of employees who have taken the initiative in continuing to pursue their education.

Society

New Employee Education and Training (Japan)

Advantest's training program for new employees starts with one month of basic business training covering the basics of working life. After that, the new recruits are put into one of two occupation-specific training regimes, depending on whether they have been hired for engineering or administrative job assignments.

Engineering employees first learn the basics of design, and then go on to learn the necessary skills as Advantest engineers through basic technology training to obtain the basic knowledge required; hardware training, software training and device test training to experience basic development tasks; and manufacturing training to learn the basics of manufacturing. New administrative employees undergo basic training for administrative operations to learn the basics of manufacturing and brush up on their administrative skills, while learning the contents of the Group's business and how the divisions are interrelated.

We review the training programs each year to ensure that they reflect the characteristics of new employees and the policies of the company as a way to cultivate the basic skills of junior employees. In FY2020, we newly added "The Advantest Way," AI training, and financial accounting training to the menu.

By having new employees experience diverse types of training in this manner, we are able to ensure that they will clearly understand their own roles, and will recognize the importance of teamwork with other divisions. Our training period for new recruits acts as a key formative phase in their professional development as Advantest employees.

New employees training

	April	May	June	July	August	One year after assignment
Engineering roles	Combined group training	Basic engineering training • Safety training • Quality assurance training • Hardware training	• Software training • Device test training, etc.		Combined group training	OJT period
Administrative roles						
Manufacturing roles, Others						

Fair Evaluation and Treatment

Performance assessments and career development are conducted under a common global system. Goals are set at the beginning of the fiscal year, communication with superiors is conducted as necessary during the year, and an evaluation interview is conducted at the end of the fiscal year. This interview is conducted not only for full-time employees but also for some contract and temporary employees. Performance assessments and career development are conducted under a common global system. Goals are set at the beginning of the fiscal year, communication with superiors is conducted as necessary during the year, and an evaluation interview is conducted at the end of the fiscal year. This interview is conducted not only for full-time employees but also for some contract and temporary employees.

Advantest Resource Management System (ARMS)

At present, our overseas sales ratio is over 90%, and among our 5,756 employees, more than 53% (3,053) are in overseas affiliated companies, allowing Advantest to grow as a global company. Given this structure, we introduced the Advantest Resource Management System (ARMS), a unified human resources system, in April 2012. ARMS promotes cooperation among multiple bases around the world, as well as smooth personnel exchanges and transfers.

Global human resource system



Society

Under ARMS, the unique job classification systems decided on by Group companies in each country have been replaced by a new 10-level job system that is common to all. In this system, job levels 1 to 6 are for general employees, while levels 7 to 10 are for management positions. There are two management paths in this system: one for "people managers," who manage budgets and deal with staff merit and labor issues, and one for "functional managers," who tend to business and ensure that operations are carried out properly. Line managers with subordinates are assigned to the first path, and all other specialists are assigned to the second. With these two lines for advancement, we ensure that our diverse personnel have opportunities to develop as managers.

We also apply common global rules to our pay scale, including basic pay and bonuses. Previously, for example, bonus payments in each country mainly reflected the performance of Advantest's subsidiary or affiliate in that country, but under the new system, bonus payments reflect the Company's consolidated earnings. Starting in fiscal 2012, we have applied a new system of evaluating employee performance. No matter where Advantest employees work, they can now be evaluated and rewarded according to the new common global system, with every employee receiving an evaluation/cultivation interview at least once a year.

Seven years have passed since we introduced our global human resources system, during which time efforts have been made to increase the number of employees seconded from Japan to overseas postings and the number of personnel exchanges with overseas affiliates; this system has contributed to invigorating the organization and improving corporate performance.

Global job level and title

Job Level	Job Title			Descriptions
1	Entry			Performs routine tasks of a repetitive nature in a...
2	Career			Duties and responsibilities focused on structured and...
3	Associate			Requires specific knowledge of a business function or...
4	Developing			Handles moderately complex assignments and works...
5	Senior			Provides specialist or technical recommendations to...
6	Expert			Requires ability to make tactical judgments that are...
7	People Manager	(Sr.)Manager	(Sr.)Consulting Manager	Operational team leader or professional/technical advisor...
8		Director	Consulting Director	Sets goals and targets for a department or management team...
9		Sr. Director	Principal	Sets annual plans in accordance with the global or regional strategy...
10		VP (or SVP)	Fellow	Accountable for developing and establishing long-term plans in line with the Advantest Group strategy...

Meanwhile, the new human resources framework offers labor management flexibility in setting up working hours, telecommuting arrangements and other job specifics, so that managers can more aptly address such

matters directly in accordance with the laws and regulations of their respective nations and in line with local employment practices.

Starting from fiscal 2014, we have established a global personnel database, which is effectively utilized for project team composition and smooth personnel changes on a global scale. Beginning in fiscal 2015, we began using a new global personnel evaluation system to replace the existing personnel evaluations. In the future, we will be setting up human resource development schemes with a worldwide reach, promoting employee diversity through active efforts to hire and promote employees with different backgrounds, and taking decisive steps toward forging an employee recruitment strategy that is in accordance with the business strategies of our operations in diverse countries.

In the spirit of establishing ourselves as a truly global company going forward, Advantest will continue to work hard to create a professional business environment where every member of a diverse Advantest Group workforce can make the most of his or her individual capabilities.

Pension system

Domestically, Advantest has introduced a point system to determine retirement benefits. In addition, Advantest has introduced a fund-type defined benefit corporate pension system as part of the retirement benefit system, where the retirement benefit can be received as pension under certain conditions. In fiscal 2018, Advantest incorporated a defined contribution corporate pension system as part of its defined benefit corporate pension system and started the defined contribution corporate pension system in addition to the point-based retirement benefit system. As a result, retirement benefits will be divided into a retirement lump sum paid by the Company, the benefit from the fund which can be paid out as pension according to the years of service and the defined contribution.

Society

Employee Health and Safety

Based on our belief that employee health as well as safety and health management are priority issues in all business operations, Advantest has committed to health management and safety as well as health activities.

Promotion of Health and Productivity Management

Thus far, Advantest has implemented various initiatives for employee health and productivity, including measures on lifestyle disease prevention, mental health, and abstinence from smoking. To further promote these initiatives, we have decided to incorporate Health and Productivity Management, and in September 2019, we formulated a Declaration of HPM Policy.



Since establishing the Declaration of HPM Policy, Advantest, our domestic Group companies, the health insurance association, and labor union have come together to promote health check-ups, boost the implementation rate of specified health guidance, and introduce a health portal site, along with various other activities that directly affect employee health. These activities include online dieting/smoking cessation programs, health/exercise seminars, and health literacy training.

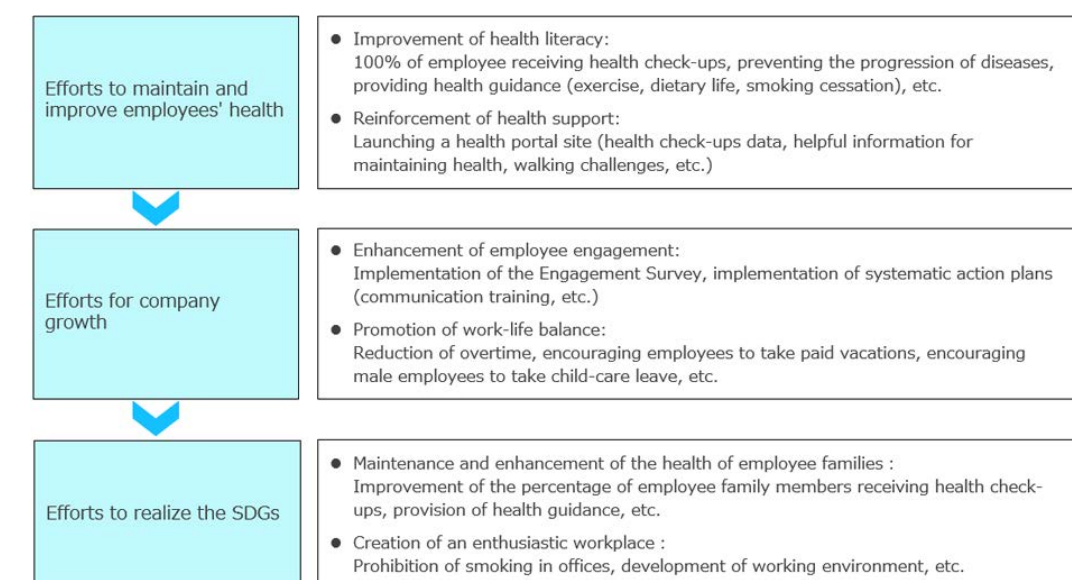
We have also actively made efforts to encourage work-life balance. In November 2020, Advantest obtained the "Eruboshi" certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace, and in February 2021, we obtained the "Kurumin" certification mark based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Advanfacilities Co., Ltd. obtained the "Platinum Kurumin" certification in 2019, and is currently making efforts to obtain the "Eruboshi" certification.

Furthermore, we have taken thorough measures to prevent the spread of COVID-19 infection, such as issuing notifications from top-level management to prioritize health, and thorough implementation of remote working. As a result of these efforts, Advantest acquired the "White 500" certification under "Excellent Health and Productivity Management Corporation 2021" as one of the top 500 companies recognized by the Nippon Kenko Kaigi.

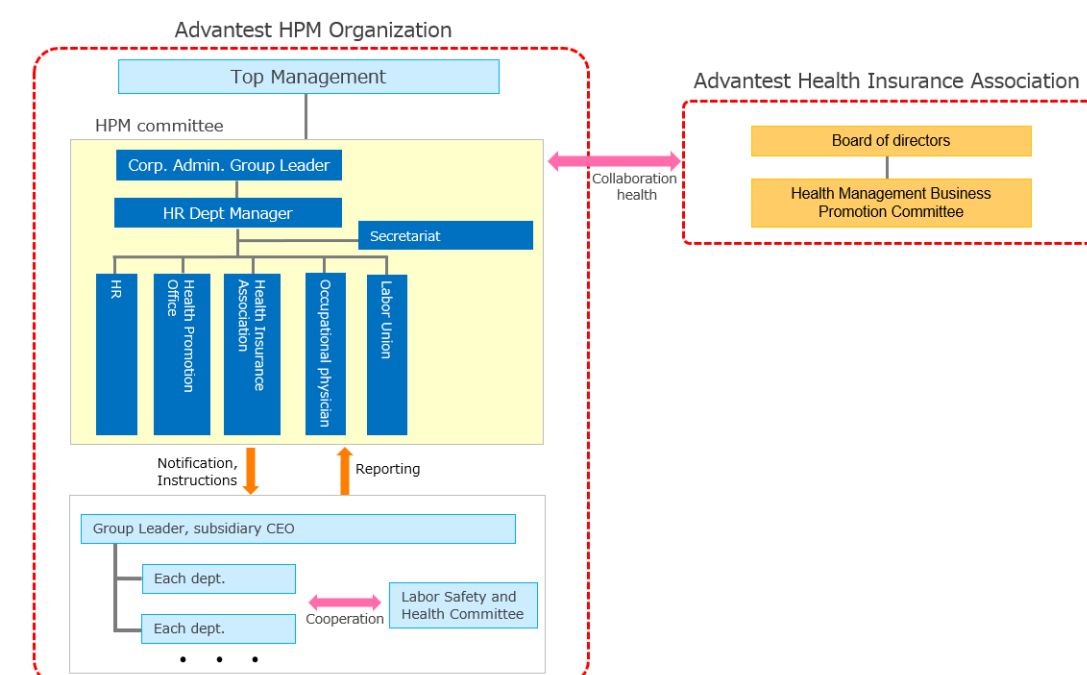
Declaration of Health and Productivity Management Policy

In order to realize Advantest's mission, we will strive to create a workplace where every employee can work in good health, both physically and mentally, to contribute to the achievement of a sustainable society as a corporate citizen.

Based on HPM policy, promote HPM from the following three viewpoints.



Organization



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| Our China Subsidiary Has Been Recognized as a Company Promoting Healthy Workplace Development

Advantest (China) Co., Ltd.(ATC) has been making efforts in an employee health project since 2019. This project assesses the physical and mental health of employees through online tools, providing direct interviews from medical experts to care for those who are assessed to be in a high-risk zone. This facilitates early detection of health risks for employees and the company as well as enables measures to be taken to address such risks.

This project has been recognized and in March 2020, the company received the Outstanding Practice Award at the "2020-2021 China Healthiest Work Place (美世卓越健康雇主)" held by Mercer China (美世咨询公司), the Chinese subsidiary of Mercer, a global human resource consulting company.

| Mental Health

At Advantest we believe that a vigorous workforce makes for a vigorous workplace. Accordingly, our Health Promotion Office supports efforts to ensure both the mental and physical health of our workforce, so that we can provide a safe and comfortable workplace environment. We introduced stress checks in FY2012 before they became required by law because we consider preventative measures as the key to our mental health activities. By quantifying stress (thus making it visible), we promote stress awareness among everyone in our workforce, which is useful for self-care.

In previous years, the 10% of employees with the highest diagnosed stress levels were invited to attend mental health consultations, and 7 to 8% actually did so. We also hold seminars to reinforce self-care (during FY2020, e-learning seminars were held).

Organizational analysis stated that high stress workplaces went down from 17.2% in FY2017 to 4.3% in FY2020. This initiative targeted only managers in high stress workplaces and offered more practical training for workplace environment improvement in FY2019 and FY2020. We continuously work on improving stress levels by following up on the implementation situation to create a workplace that mitigates the occurrence of mental health disorders.

We have also formulated recovery plans with occupational physician from the latest reports as well as provide support for employees to return to the workplace after taking a leave of absence, enabling them to take time off without worry if their mental state worsens due to a variety of stress. In addition, an eight-step process (which includes status reports, consultation with occupational physician, return to work planning, and follow-up interviews after returning to work) has been set up to avoid overstressing people and the workplace.

| Health Consultations

At Advantest's Health Promotion Office, a comprehensive range of health professionals (including occupational physician, clinical psychologists, public health nurses, nurses, and industrial counselors) provide counseling services for physical and mental problems of all kinds. Applications for counseling can be submitted easily by telephone or e-mail, or via the company's intranet. In fiscal 2020, counseling services were provided on 750 occasions.

| Health Check-ups and Health Guidance

Advantest and its domestic Group companies provide regular health check-ups to maintain and improve the health of employees in addition to regular physicals through subsidies from the health insurance association. We provide health check-ups once or twice each year both in domestic and overseas bases, with an examination rate of 90% or higher. We have achieved a 100% health check-up ratio since FY2018 for domestic employees.

The Health Promotion Office provides health guidance, email support, and staff/occupational physician consultations for employees who have received a diagnosis through checkups. Furthermore, employees with a history of brain and heart disease are interviewed regardless of their health check-up results, and work restrictions are put into place to ensure their safety.

Promotion of Occupational Safety and Health

| Advantest Group Health and Safety Policy

Advantest Group recognizes that Health and Safety (H&S) is one of the important aspects of our business operation. This policy is set forth to ensure every Advantest employee's Health and Safety.

1. Health and Safety First

We will make H&S as the first priority for employees in all Advantest operation groups.

2. Compliance with Laws and Regulations

Aim to achieve compliance with legal requirements through good occupational health and safety performance.

3. Regular Review of Health and Safety Compliance

To support this policy, we will provide employees with an annual activity plan which will address every

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business location's H&S regulations through management support.

4. Education and Training

Ensure that employees receive appropriate training, and are competent to carry out their designated responsibilities.

5. Disclosure of Health and Safety

To raise awareness, we will announce our H&S information to all employees publicly.

Promotional System

At Advantest, every year we convene the "Health and Safety Committee Meeting" which decides the health and safety direction and policy for the whole group. The approach to health and safety is based on the main activity themes decided on at this meeting, upon which the health and safety committees at each location set their annual targets and plans.

We also regularly hold health and safety committee secretariat meetings throughout the company, and strengthen each location's health and safety activities through this sharing of information about relevant activities.

Japan's company-wide Health and Safety Committee is made up of the heads of the Health and Safety Committees at each business location, which are officers and presidents of domestic Group companies. Furthermore, the Health and Safety Committees at each business location are composed mostly of representatives of both the company and union employed at the business location.

Organization of Health and Safety Management (Japan)



Implementation of Occupational Health and Safety Activities

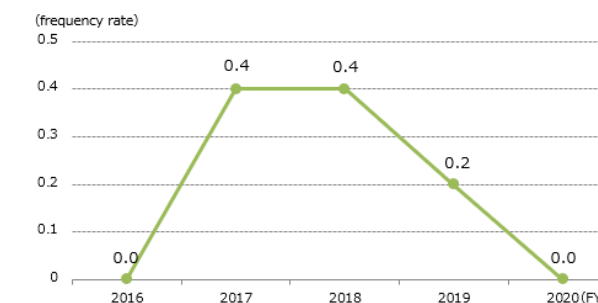
Fiscal 2020

Safety awareness activities continued in FY2020, such as creating posters showing example accidents, in order to realize zero accidents. Health and safety activities were also promoted despite the COVID-19 pandemic.

Fiscal 2021

For FY2021, we will continue our safety awareness initiatives with a greater focus on safety. Furthermore, we have established a system to obtain and share information on accidents and disasters from overseas Group companies in a timely manner. Safety assessments for our domestic business sites will also be conducted by external organizations in order to reinforce our safety system.

Occupational accident rate in Japan (frequency rate*)



* Number of injuries or deaths due to labor accidents per one million of actual total working hours

* Boundary of data: Advantest Group (non-consolidated)

* From FY2019, the data includes temporary employees.

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

There have been no fatalities in operations in the last five years.

In addition, the rate of occupational accidents (frequency) was 0.1 for FY2020 when including both domestic and overseas Group companies.

* FY2020 figure is assured by KPMG AZSA Sustainability Co., Ltd.

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Occupational Health and Safety Education

The Advantest Group regularly conducts occupational health and safety education and strives to build a safe workplace where everyone can work with peace of mind by preventing occupational accidents before they happen and raising awareness about occupational health and safety. E-learning has been incorporated to some areas of Advantest's unique health and safety education. We will strive towards further participation from employees.

Occupational health and safety results achieved in fiscal 2020

Education category	Target employees	Number of trainees (Total)	Hours of education
General education	Managers, General employees	1,777	1,008
Specialized education	Managers, General employees	1,050	2,863

Respecting and Protecting Human Rights

Under "The Advantest Group Declaration of Human Rights," we believe that the rights of our employees, who are a valuable resource to the company, should be protected along with the rights of all individuals affected by our business activities.

Advantest Group Human Rights Policy

The Advantest Group contributes to humanity's safe, secure and comfortable existence by "Enabling Leading-edge Technologies." We recognize that the human rights of all the people we touch must be protected in our global business activities. This is stipulated in "The Advantest Way," the Advantest Group's code of ethics, and this Advantest Group Human Rights Policy (hereinafter "this policy") expresses the Advantest Group's responsibility to respect human rights, based on "The Advantest Way."

(1) Respect for international norms

We support and respect international human rights standards such as the Universal Declaration of Human Rights, the 10 Principles of the United Nations Global Compact, the International Code of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. We promote respect for human rights based on the UN's Guiding Principles on Business and Human Rights.

(2) Responsibility to respect human rights

We will implement appropriate measures to prevent / mitigate any negative impacts on human rights from our business activities, or implement remedies should it become clear that we have contributed to negative impacts. We will fulfill our responsibility to respect human rights.

(3) Scope of application

This policy applies to Advantest Group officers and all employees (including full-time employees, contract employees, and dispatched employees). In addition, if a negative impact on human rights caused by a supplier, employees of an outsourcing partner, other business partners, or related parties, is directly linked to the business activities of the Advantest Group, we will take measures to prevent infringement of human rights based on dialogue and consultation with the other party.

(4) Compliance with applicable laws and regulations

The Advantest Group complies with the laws and regulations of the countries or regions in which we operate. In countries and regions where there are discrepancies between laws and international norms, we consider local laws and regulations insofar as possible. We promote efforts to respect international norms regarding human rights.

Society

(5) Human rights due diligence

We will continue to build and implement due diligence mechanisms for human rights to address any apparent or potential negative impact of our business activities on human rights.

(6) Education

We continuously promote appropriate education to raise awareness of human rights among officers and all employees so that this policy and our human rights due diligence are understood and effectively implemented throughout our business activities.

(7) Disclosure of information

We report on the status of our human rights activities and impact on our corporate website and in our Integrated Annual Report, based on this policy.

(8) Dialogue / discussion

We will appropriately implement top-priority issues related to human rights as the separately defined "Advantest Group Priority Issues Related to Human Rights," based on this policy. We understand that these priority issues need to be reviewed as appropriate to reflect changes in social and business trends.

July 1, 2021
Yoshiaki Yoshida
Representative Director, President & CEO

 [Advantest Group Priority Issue Related to Human Rights \(PDF 142KB\)](#)

System to Promote the Respect and Protection of Human Rights

Focused around the Corporate Ethics Office and the Compliance Committee, Advantest strives to promote and set policies on human rights issues and deal with complaints about discriminatory treatment. We share the Advantest Supply Chain CSR Promotion Guidebook with our suppliers, and endeavor to ensure that they are fully aware of the need to respect human rights (including the prohibition on forced labor, child labor, and discrimination).

| Creating a Workplace that Respects Human Rights

Advantest believes considerations to human rights are a vital element in expanding businesses globally. We support international standards related to human rights such as the Universal Declaration of Human Rights

while complying with the laws and regulations in each country and region. In addition, we have signed the United Nations Global Compact (UNGC), a global sustainability initiative, and participated in Global Compact Network Japan, a local network in Japan. We support the "Ten Principles of the UN Global Compact," which are universal principles covering human rights, labor, the environment, and anti-corruption that companies should abide by, and promote efforts in each of these fields. The Advantest Way incorporates a pledge that we will respect human rights without discriminating on the basis of race, gender, age, nationality, religion, social origin, physical disabilities, disease, sexual orientation or any other factors. We have established a manual for human rights and discrimination and prevention guidelines for harassment as well as promoted the protection and respect for human rights.

In FY2013, we launched an e-learning program on the Advantest Way for all Group employees. In FY2020, this training was completed by all employees in the Advantest Group, both in Japan and overseas.

| Harassment Prevention

In July 1999, Advantest created a manual to prevent harassment, and has since made efforts to prevent all forms of harassment. This manual has been revised and expanded following amendments to laws and regulations to include pregnancy, childbirth, and parental leave. The manual is published on the intranet to offer easy access to employees.

The key points are as follows.

- 1. Recent harassment trends
- 2. Sexual harassment in the workplace
- 3. Workplace bullying in the workplace
- 4. Workplace pregnancy, childbirth and parental leave harassment
- 5. Impact of harassment
- 6. Harassment from a legal and regulatory perspective
- 7. Harassment prevention measures
- 8. Dealing with harassment

We are working to devise methods for self-checking that can be conducted in response to the issues above.

To boost employee understanding of harassment prevention, every year starting from April 2006, training for new employees and new managers has incorporated training on harassment prevention as well as human rights education. Furthermore, training on the topic of harassment was conducted for all

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management personnel from FY2019 to FY2020.

Labor-Management Dialog

Advantest respects the basic human rights of freedom of association and collective bargaining. In countries and regions permitting the formation of labor unions, Advantest recognizes the right of a union to organize, the right for collective bargaining and the right to hold strikes through labor agreements. Even in countries and regions which do not permit the formation of unions due to laws and regulations or labor practices, we strive to build sound relationships and solve problems through dialogs between labor and management with the goal of fostering freedom of association and collective bargaining.

Organizations include the Advantest Labor Union at Advantest and its domestic subsidiaries. All unions engage in discussions on labor and management.

Furthermore, safety, health, and settlement of grievances are described in the labor agreement with the Advantest Labor Union, and both sides cooperate to respond to issues such as Health and Safety Committee operations, human rights issues, and personnel grievance settlements at each business base.

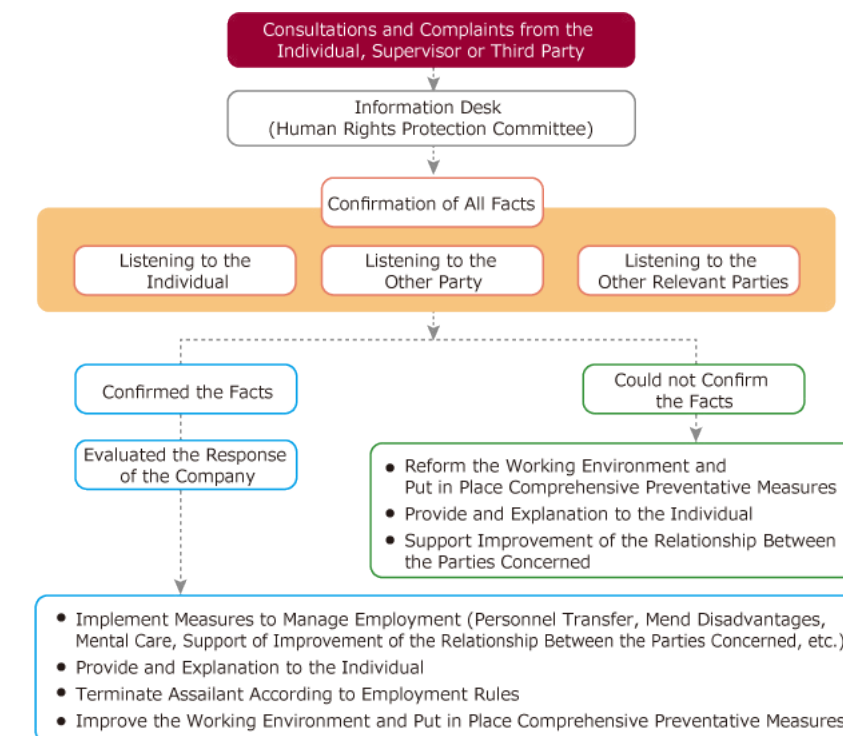
Reporting and Consultation Framework for Human Rights Issues

Advantest has set up a Corporate Ethics Helpline to address human rights issues and concerns that are not readily resolvable in the workplace, designed so that those facing such issues can report to and consult with our Corporate Ethics Office. Reports and consultations are overseen mainly by the Corporate Ethics Office, and every precaution is taken to prevent those employees seeking help from suffering any disadvantage or retribution, through measures such as protecting their anonymity. Additionally, we have established an external law firm (lawyer) as a contact point in order to make it easier for our employees to consult with or report to the helpline. The helplines and contact point can also be used from overseas.

Moreover, in Japan, we have established a Human Rights Protection Committee together with the labor union to oversee consultations about domestic human rights issues. There were three harassment-related consultations received by the Helpline and Human Rights Protection Committee in FY2020 (already resolved). The Human Rights Protection Committee properly responds to all incidents to seek a rapid resolution while giving due consideration to the privacy of the employees concerned.

Through this activity, Advantest aims to foster a workplace environment in which employees can work with peace of mind while respecting each other's human rights.

Flow of response to consultations and complaints



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Community Activities

We bear in mind our responsibility as a member of civil society, and we work to actively contribute to regional communities.

Efforts Toward Social Contribution Activities

The social contribution activities of the Advantest Group focus on "preserving the global environment," "developing the next generation," and "contributing to local communities" under our basic policy of "We will respect our stakeholders, promote harmony with society, and contribute to the SDGs in order to achieve a sustainable society" within the "ESG for Sustainability" established in July 2019.

In addition, we use our business activities to meet the needs of our stakeholders and of society, and to fulfill our social responsibilities as a group throughout the world.

Promotional Structure

Advantest has promoted CSR and environmental initiatives in every country and region. However, the importance for more global CSR and environmental initiatives is increasing as a company that contributes by itself or through its supply chain to a broader range of societies. We continue contributing to global societies through our CSR and environmental initiatives.



Framework to promote employee participation

The Advantest Group actively advocates for employee participation in volunteer activities.

Volunteer activities for giving back to society recruit participants through systems such as an intranet message board. Reports on activities in each region are also published in our internal newsletter and social media (My LIFE. ON.), which contributes to attracting new participants.

Employees can save up their unused paid holidays that would otherwise not be carried over to the next year and use them for volunteer activities.

Examples of Social Contribution Activities in Fiscal 2020

While various social contribution activities had to be cancelled or postponed due to the spread of COVID-19, the Advantest Group was still able to implement various social contribution activities.

Donations and cleanup activities

Japan

Advantest participated in the "Charibon" project, which accepts donations of used books. 694 books donated by employees over the course of the year were assessed to be worth 14,941 yen, which was then donated to Amnesty. Furthermore, 1,521 miswritten postcards were collected over the course of the year, amounting to 81,387 yen, which was donated to UNESCO. More than 40 employees participated in these activities. In addition, Advantest also participated in the "SAKURA Project," which donates school backpacks that are no longer used. Seven employees donated 12 school backpacks under this initiative.

Advantest also conducted "trash-collecting walks" in which employees walked around the Gunma R&D Center during their lunch breaks to collect trash. This activity was held four times a year, and a total of 124 employees participated over the course of the year. We have



Boxing up collected books



Some donated postcards



Donated school backpacks



Collecting trash



Collecting trash

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continued to make this social contribution to the local community for more than 10 years.

Taiwan

Advantest Taiwan Inc. held a "21 Days of Green" event online. Participants could obtain points by succeeding in missions transmitted via social media every day, such as "not purchasing bottled water" or "not using disposable tableware," thus raising awareness of social and environmental issues. More than 100 employees, approximately half of the company's workers, participated in this event.



Event announcement



Point card for the mission

Germany

The Böblingen office (approximately 630 employees) and Amerang office (approximately 160 employees) of Advantest Europe GmbH have been certified as a "Cycle-Friendly Employer" by the Allgemeiner Deutscher Fahrrad-Club (ADFC). Their efforts to promote bicycle commuting in order to raise awareness of environmental conservation and employee health have been recognized.



Parking lot at Böblingen



Receipt of certification

South Korea

Advantest Korea Co., Ltd. made donations to households of the visually impaired. 600,000 won in total was donated to three households each month for a total of 36 households and 7,200,000 won over the course of the year.

Singapore

Advantest (Singapore) Pte. Ltd. commemorated Earth Day with an art exhibition, making a donation to the Animal Concerns Research and Education Society (ACRES) of 400 Singapore dollars per piece. The total donation was 12,000 Singapore dollars for 30 pieces.



Submitted pieces of art



Event announcement

The company also called for donations at a game event, donating 25,000 Singapore dollars to support groups for the visually impaired. 115 employees and family members participated in the event.

COVID-19 donations

United States

Advantest America, Inc. donated 100,000 dollars each to the foodbanks Feeding America and Second Harvest of Silicon Valley. The donations were used to help those suffering from the impact of the COVID-19 pandemic.

Germany

Advantest Europe GmbH took 900 euros incurred by employees for an online pizza party and made a donation of 450 euros each to hospitals and COVID-19 relief efforts in order to support regions suffering from the impact of the COVID-19 pandemic along with medical workers.



Japan

In Japan, Advantest approached medical associations and nursing associations in prefectures that are home to Advantest business bases in order to offer donations to support the dedicated medical professionals working to counter the COVID-19 pandemic. In March 2021, a total of 90 million yen was donated to six organizations that participated in this initiative.

Contributions to future generations

Singapore

Advantest (Singapore) Pte. Ltd. donated educational gift certificates (140 certificates) amounting to 14,000 Singapore dollars to the charity organization Yishun Family Service @ Children's Society in order to support households with young children.



Sending educational gift certificates

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Japan

The educational board of Sendai City awarded Advantest with a certificate of appreciation for the special science class "Connecting with Light, Saving Energy with Light: Experience Optical Transmission" held at an elementary school in Sendai City (with the participation of 95 sixth graders).



Receiving the certificate of appreciation

In addition to science classes for elementary school students, Advantest has also participated in the "EduTown SDGs Alliance" (produced by Nikkei Business Publications and TREE / operated by Tokyo Shoseki) project, which provides education on the SDGs to elementary and junior high school students. The "EduTown SDGs Alliance" is a project that supports the development of creators of a sustainable society, and has created and operates the educational website "EduTown SDGs" as well as freely distributes supplementary materials (booklet).



[Advantest's page on the EduTown SDGs website](#)

[Advantest's page on the EduTown Ashitane website](#)

Taking Responsibility for Our Products

We constantly aim for improvement in customer satisfaction in various areas such as design, manufacturing, sales and service, and we will continue to provide quality assurance, service and support globally, taking into account the customer's perspective.

Supporting Product Safety and Quality

Initiatives to Secure Product Safety and Quality

Aiming to meet the increasingly high product safety standards seen as important by modern society, we adopted the Advantest Product Safety Charter in May 1995.

To achieve the above, we formulated the "Product Safety Promotion Regulations" and established a company-wide committee as an organization to promote advances in product safety. From May 1995 to the present, this committee has continued to actively take part in product safety improvement initiatives.

In FY2020, we commissioned external specialists to undertake inspections of the safety and durability of eight major Advantest products.

The results indicated that there was no need for further revision of improvement of Advantest's safety specifications.

It should be noted that, in fiscal 2020 there were no violations of the standards specified in Advantest's Product Safety Promotion Regulations.

Advantest operates a 10 m Radio Anechoic Chamber (EMC Center) that complies with the EMC Act required for the sale of products worldwide.

Europe (CE Marking) and Korea (KC Marking) in particular have strict EMC laws and regulations.

Even in America, Advantest takes measures to comply with American EMC laws and regulations (FCC) due to a risk of litigation caused by noise in the surrounding environment when operating products as well as strict customer requirements for noise reduction.

The EMC Center is run by staff who have acquired the ISO17025 international standards regulating the operation of test facilities, in addition to EMC engineers who have been certified under the International Association for Radio, Telecommunications and Electromagnetics (iNARTE) and use genuine products in certified in-house testing.

The facilities of the EMC center also put in place an environment that is capable of testing large industrial machinery that is only available in a few places in Japan thanks to equipment that include a turntable with

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an 8 meter diameter to equip with products, a 3-phase power supply able to supply a total of 48 KVA power capacity that can withstand 10 t, and equipment that can provide water cooling.

Advantest collects information about EMC laws and regulations by participating in the KEC Electronic Industry Development Center (KEC) working group and providing EMC regulatory information to the semiconductor manufacturing industry through the Semiconductor Equipment Association of Japan (SEAJ) because the Company needs to collect information about each country of origin and monitor the latest legislative trends.

Advantest Group Quality Policy

"Customer Satisfaction" is the fundamental basis of all our activity.

- (1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
- (2) Promote quality creation, from early in the design process, and overall optimization of the process.
- (3) Compliance to applicable statutes and regulations.
- (4) Properly administer and implement continual improvements of the quality management system.

Quality Management System

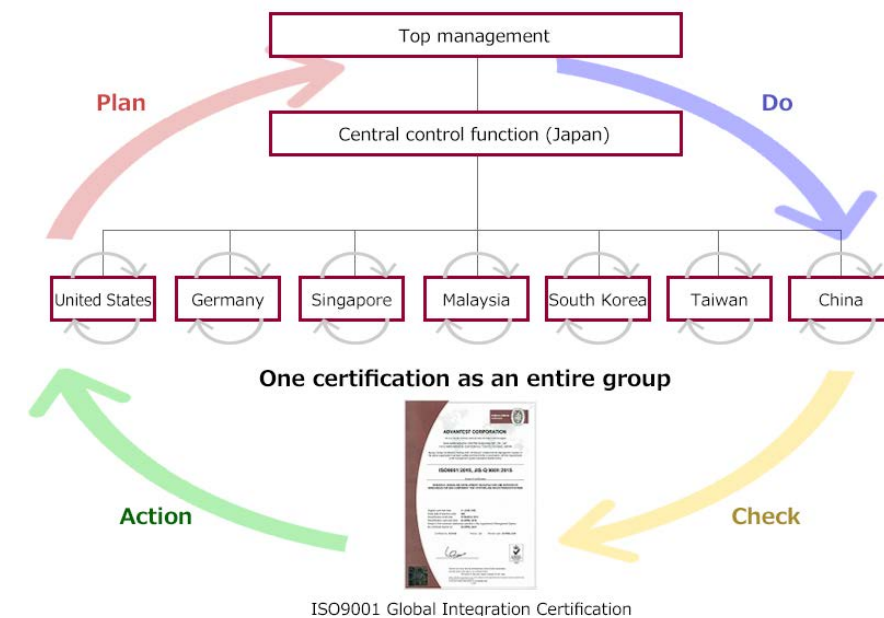
In keeping with our product quality plan where customer satisfaction is the fundamental basis of all our activity, we have designed our quality management system to comply with the international quality assurance standard ISO9001 throughout the Company.

We have established an organization to promote the system within the company-wide framework, led by the Quality Assurance Manager under the supervision of the executive management, which maintains and improves quality systems, with the goal of raising customer satisfaction. We have also constructed our own internal audit framework, and we maintain and improve our systems through regular internal audits.

Furthermore, the entire Group (eight countries and 21 sites) is advancing system integration and has acquired the ISO9001 Global Integration Certification as of April 25, 2018 to strengthen global quality management systems.

In the future, we aim to strengthen and expand quality control while maintaining this framework.

ISO9001 global system diagram



Design Review System Aimed at Improving Quality

Customers constantly require functionality, performance, and quality in Advantest products. In response, our circuitry has become increasingly larger and complex. Meanwhile, we are also responding to demands for shorter development lead times, a challenge we feel is best addressed by instilling quality at the upstream design phase so that we can detect potential issues early on. Accordingly, we introduced a new design review system in 2008 as a framework for achieving these goals.

- Our design review system was amended to ensure that the project leader establishes a design review plan when product development begins, so that reviews are conducted regularly.
- We changed the system so that the relevant staff and the project leader, as well as the quality assurance division, carry out monitoring to prevent follow-up omissions, by enabling the visual identification of issues raised.
- We also adopted the Design Review Meister System, which involves forming groups of in-house experts for each technical area to participate in the related design reviews. This system increases the rate of problem detection in design reviews, encourages the succession of technologies, and facilitates in-house education. Many positive results have been achieved through these activities.

For instance, the rate of defect detection during the design phase has recently improved, leading to a decrease in setbacks and minimizing development delays. The new design review system has resulted in improvements in design quality and a reduction in development lead times. However, it has also revealed some cases in which problems that should have been detected by the designer ultimately found their way

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into the design review or the post process.

Advantest regularly collects analysis and feedback on issues that have gone undetected and makes improvements to the review framework as necessary. Moreover, going forward we will implement further improvements to the design process involving thorough checking prior to design reviews to achieve better design quality.

| Activities to Improve Component Quality (SQE Activities)

We are committed to the belief that individual components underpin overall product quality, and therefore the quality of each and every component has to be exceptional. Based on this belief, the Advantest Group engages in SQE (Supplier Quality Engineering) initiatives beginning at the component adoption phase, drawing on the support of our supplier network. SQE initiatives are undertaken with the aim of enlisting a team of experts to bring about improvements to component quality. Accordingly, it is critical that we engage in practices to ensure component quality, particularly given that the number of parts used in our products is roughly equivalent to the 200,000 to 3,000,000 parts that make up an aircraft.

Our SQE initiatives involve the following three practices.

- Careful selection of components: When given the choice of multiple components with similar performance specifications, we select the best item through a process involving in-house quality analysis and evaluation.
- Quality improvement through PDCA: We apply PDCA-cycle practices from the component design phase to manufacturing to achieve improvements prior to high-volume production and thereafter.
- Ensuring that tolerances are maintained in component design: We aim for component design benchmarks determined on the basis of tolerances rather than standard specifications.

In this way, by running SQE activities from the product development stage, we can reduce problems with components in the manufacturing process and the risk of component problems reaching the marketplace, which contributes to greatly reducing the risk of losses. The results of this approach can be seen in the smooth running of our end users' processes and in the increased security that our clients enjoy when using our products.

In addition, by decreasing the number of rejected parts, we decrease the need for their exchange and disposal, and thus contribute to reducing the environmental impact.

| Availability

Advantest is committed to helping its customers achieve higher levels of productivity by offering them products that guarantee high availability – meaning that they are unlikely to malfunction, and will recover

immediately should failure occur. More specifically, availability refers to the ratio of time that a system is operational over a given time, and as such constitutes one of the benchmarks of product integrity. The Advantest Group delivers high availability by working hard to improve MTBF^{*1} so that systems will operate without malfunction over longer duration of use, while also reducing MTTR^{*2} so that systems will be more readily serviceable when a malfunction does occur.

*1 To improve MTBF: MTBF: Mean Time Between Failure

*2 To reduce MTTR: MTTR: Mean Time To Repair

| Initiatives Aimed at Improving Software Quality

Advantest continues to implement initiatives aimed at improving software quality. Software for test systems, handlers and other such systems shipped by Advantest first goes through a process that involves quality verification by the Quality Assurance Division. The specification sheet, a parallel product of development, is examined by the Quality Assurance Division in real time and feedback is given, which helps to ensure quality at upstream stages of development. The examination is implemented before development is completed, and after it has been confirmed that quality standards have been met, products are shipped.

Beginning in 2012, process improvement activity using the "Toyota development process"^{*1} has been implemented with the cooperation of the R&D Division. This activity improves the level of the design review process, and high-quality design enables high-quality and high-throughput product development. These initiatives help to bring about the timely delivery of even better products.

*1 Source: The Toyota Product Development System, James M. Morgan, Jeffrey K. Liker

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Customer Service

In recent years, capital investment has been accelerating in semiconductor-related markets, driven by factors such as the advancement and sales of smartphones, progress in automobile electrification, and investments related to data centers. There has also been a marked evolution in semiconductor technology to correspond to digital innovations, primarily including IoT, cutting-edge driver assistance systems, and AI. Advantest places the foremost priority on proactive, speedy provision of products and services to respond to these market changes and the development of competitive next-generation technologies.

| Basic Policy for Improving Customer Satisfaction

Customer satisfaction is the most fundamental principle underpinning Advantest's business.

- (1) Provide technology, products and services that will satisfy our customers worldwide in a timely manner.
- (2) Promote quality creation, from early in the design process, and overall optimization of the process.
- (3) Compliance to applicable statutes and regulations.
- (4) Properly administer and implement continual improvements of the quality management system.

By sharing the above product quality policy throughout the Group, we strive to offer products that provide not only superior performance but also superior environmental friendliness and safety. We are committed to keeping our customers satisfied at every stage, from design and manufacturing to sales and service, by providing an ever higher level of guaranteed quality, top-notch service, and support on a global scale.

| Sales and Marketing Practices to Ensure Higher Customer Satisfaction

Advantest prioritizes the important challenge of proactively providing products and services quickly in order to respond to market fluctuations and technological evolution. As one measure responding to this issue, we integrated our business units' marketing into our sales headquarters in December 2016 before integrating system solutions in June 2017. By integrating sales with marketing, more efficient product development and delivery to customers has become possible due to accurate, timely understanding of market and customer needs, which are collected directly by the sales units for sharing with the marketing units. These are in turn then provided as feedback to business divisions. Integration of system solutions has also led to more robust technical support for customers.

The sales and marketing units within the sales headquarters were integrated in March 2020.

We aim to further improve customer satisfaction by taking measures in accordance with these changes.

| Sales and Marketing Activities to Improve Customer Satisfaction

There is a need to demonstrate leadership within the industry and to continuously communicate information related to technology and markets in order to continue supporting our customers' technical innovations. Nevertheless, exhibitions at Face To Face and conferences have been cancelled or postponed due to the spread of the COVID-19 pandemic. In response to this situation, Advantest held its first online exhibition, the "Advantest Virtual Tradeshow," on March 10 and 11, 2020 for the United States, and on July 10 for the Asian region. The March exhibition welcomed approximately 200 participants from 47 companies, and the July exhibition saw approximately 500 participants from more than 30 companies. This event introduced new test solutions and showcased presentations related to new Advantest technologies, provided via both live and prerecorded streams.

In addition to providing our customers with test solutions, Advantest also holds the annual VOICE Advantest Developer Conference, which generally takes place in the United States and Asia. However, in June 2021, it was held online as "Virtual VOICE 2021." We will continue to keep pace with the "new normal" while globally expanding our activities to enhance communications based on our customer support improvement initiative.

| Promoting Customer Support

The Advantest Group has established its basic policy for customer support with the aim of realizing the globally-oriented restructuring of the Group's service businesses.

Our basic policy is outlined as follows.

Basic policy for customer support

- We will propose total solutions in the form of support packages designed to deliver maximum efficiency to our customers in their device measurement operations.
- We will propose unified service support matching the customer's business model from development to the mass production environment.
- We will respond to customer demands by proposing service support packages that encompass total solutions.
- We will always take the customer's point of view and draw on our global organization in offering solutions.
- Our premium services and customer support will not only be efficient, but will also take the environment and safety into consideration.
- We will offer high-value-added professional services.

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- We will strive to maintain our zero-accident record by thoroughly observing safety standards in field service provision and elsewhere.

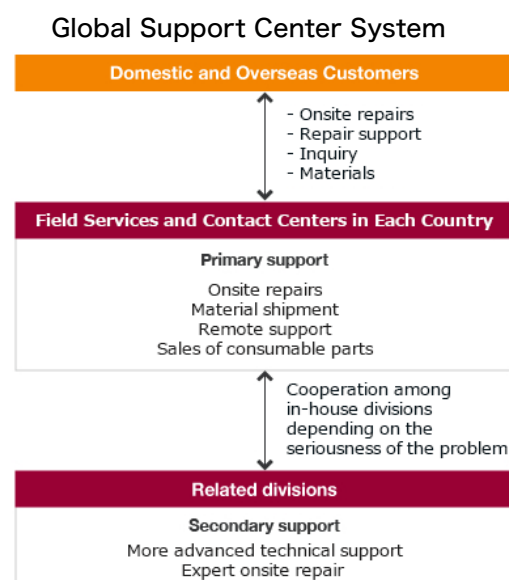
Better Customer Support with a Global Focus

Advantest is building a global support framework capable of responding effectively to service support requests and other inquiries from customers. While responding to everyday service support requests through contact centers in each country, as well as by telephone and e-mail, we are also implementing primary support consisting of technical service and onsite repairs by field engineers.

We place expert support teams in product development bases to carry out secondary support, allowing us to respond appropriately based on the content and difficulty of service requests.

We have developed a global supply-chain network covering customer operations ranging from their development bases to mass production facilities. Moreover, we also operate a supply-chain control mechanism through which replacement equipment and parts at service centers in each country are monitored to determine inventory needs at respective locations worldwide.

We continue to run an engineer exchange program between overseas subsidiaries and our secondary support division, which helps engineers improve their professional skills and raises the quality of our support. This two- to three-year program aims to sharpen engineers' technical skills, develop cross-cultural competencies, and raise foreign language and communication proficiencies. In the mass production facilities of customers, we offer on-request expert consulting and solutions regarding productivity issues. We also offer device measurement training to our customers, and provide professional advice in that regard.



First place in the VLSIresearch Customer Satisfaction Survey for the second consecutive year

Advantest aims to grasp customer needs accurately and strives to provide customers with high-performance, high-quality total test solutions in a timely manner. We make efforts to gain a better understanding of our customers' needs through information that we acquire from our daily business activities, and also through yearly participation in the customer satisfaction survey conducted by VLSIresearch, a company renowned for its semiconductor market research.



In the 2021 survey, Advantest earned the top spot for the second consecutive year in "THE BEST Supplier" category for semiconductor testing devices and the "10 BEST Suppliers" category for semiconductor manufacturing devices (large suppliers). Furthermore, our company received a score of 9.5 out of 10 for the five categories of "recommended supplier," "reliable supplier," "technological leadership," "collaboration," and "field support." Although Advantest has always ranked in the top spot for "THE BEST Suppliers," we were the only supplier to receive five-star certification for semiconductor testing device suppliers in 2021.

<Some reviews from our customers>

- ☐ [STMicroelectronics and Advantest Collaborate on an Advanced Automated Test Cell for IC Testing](#)
- ☐ [Advantest Named a Preferred Supplier by Elmos Semiconductor](#)
- ☐ [Advantest Developing Innovative Methodologies for High-speed Scanning and Software-based Functional Testing](#)
- ☐ [Advantest's Hadatomo™ Z Photoacoustic Microscope Wins 13th Laser Industry Encouragement Award](#)

Innovation initiatives

Taking on a challenge in the life science field with nanoSCOUTER™

As part of our efforts toward the future, Advantest has been promoting development in fields that transcend semiconductors and telecommunications, using the nano-level semiconductor processing technologies, electron beam lithography technologies, three-dimensional length measurement technologies using the Scanning Electron Microscope, and precision electronic measurement technologies we have cultivated thus far.

nanoSCOUTER™ is a precision nanopore (nanometer-scale pore) sensor module created through a semiconductor process, which also incorporates the ultra minute current measuring techniques we have fine-tuned since our establishment, as a particulate measuring device that swiftly and accurately measures

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the quantity and particle sizes of 100 nanometer particles such as viruses, exosomes, and liposomes. This degree of accuracy has been confirmed to be able to identify the COVID-19 virus quickly with high precision. This physical and chemical device is expected to facilitate early detection of new pathogens when combined with machine learning per virus type.

Advantest is making efforts to contribute to the medical field and other fields to achieving a healthy future for people based on our contributions to realizing a safe, secure, and comfortable society through semiconductor testing.

-  [Advantest's nanoSCOUTER™ Fine Particle Measurement Instrument Identifies COVID-19 with High Accuracy](#)
-  [Results of Research on Identification of the COVID-19 virus Utilizing Advantest's nanoSCOUTER™ Fine Particle Measurement Instrument Published in Nature Communications](#)

Enhancing the reliability of semiconductors through Advantest Cloud Solutions™

Advantest has been promoting Advantest Cloud Solutions, which integrates data generated through customers' semiconductor manufacturing processes with semiconductor testing data, which is then analyzed to generate new value.

Semiconductors are manufactured through a few hundred processes (a supply chain) that spans multiple companies and countries. These processes generate many types of data, and the test data generated by Advantest semiconductor testing devices is the most important for determining semiconductor reliability. Testing is conducted in multiple steps to confirm the quality of each process.

By centrally collecting and analyzing the test data that has been scattered at various points throughout the supply chain in addition to the data study at each points, it becomes possible to perform an overall assessment of semiconductor reliability through the supply chain. Furthermore, combining the data generated from various process steps with test data facilitates early detection and improvement of issues with processes.

Advantest Cloud Solutions™ construct a test-centric data ecosystem, aiming to contribute to enhancing the reliability and security of semiconductors that is required in the DX era.

-  [Advantest Debuts Two New Advantest Cloud Solutions™ to Boost Production Efficiency for New IC Designs](#)

Achieving fully automated test cells based on Industry 4.0

Advantest has achieved automation of post-processing testing in collaboration with our clients. Through optimized operations that require less labor, we have improved the working rate of test cells, which in turn improves the energy efficiency per test and contributes toward reducing GHG emissions.

This system is comprised of two types of hardware, the Advantest SoC test system "T2000" and the "M4841" handler alongside software (created by our clients) that controls the hardware. Software-controlled, autonomous robots travel between device storage areas and handlers with trays. The software implements real-time communication with an Industry 4.0 tracking system, which manages the operation status of work in progress and equipment while monitoring and controlling the testers and handlers. Combining these test cells and software achieves a fully automated testing process, improving yields with machine learning and monitoring as well as boosting the efficiency of the overall process while reducing cost-of-ownership.

Advantest will continue to contribute to developing technologies that are useful to society towards our vision of "Adding Customer Value in an Evolving Semiconductor Value Chain."

-  [STMicroelectronics and Advantest Collaborate on an Advanced Automated Test Cell for IC Testing](#)

Society

Intellectual Property Protection

The guiding principles underlying Advantest's intellectual property management emphasize compliance with intellectual property right laws and regulations and the need to respect the intellectual property rights of third parties.

Basic Stance Toward Intellectual Property

The basic principles of Advantest's intellectual property management is compliance with intellectual property laws and regulations and respect for the intellectual property of third parties.

Organization of Intellectual Property Management

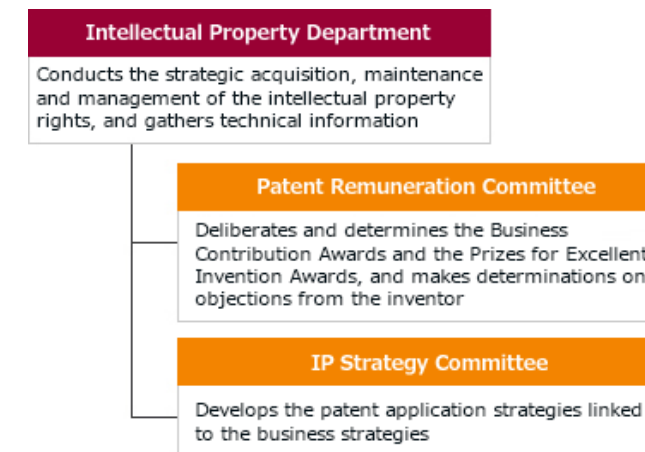
Advantest establish the intellectual property management systems seen below and we manage appropriately the intellectual property with cooperation of business units, Advantest laboratories and corporate planning department (cooperating organizations, universities, etc.) in Japan, Germany and the U.S., our major development bases.

The Intellectual Property Department conducts monthly online meetings with intellectual property managers in Germany, the U.S., Singapore and China, joining forces with the IP Strategic Committee in each area to promote intellectual property activities in accordance with business unit, research and management plans.

The Patent Remuneration Committee consists of members in Japan, Germany and the U.S., and the members meet together to determine the Business Contribution Awards and the Prizes for Excellent Invention Awards every year.

The IP Strategic Committee is selected from among the various business unit, laboratories and corporate planning department in Japan, Germany and the U.S., and develops the patent application strategies linked to the business strategies.

Organization of intellectual property management



Employee Education about Intellectual Property

At Advantest, in order to improve awareness of intellectual property among all employees, we review the content and conduct training for new technical employees and e-learning for all Group employees every year.

Disputes and Litigation Relating to Intellectual Property

As of March 31, 2021 there were no such disputes.

Society

Supply Chain Management

Cooperative relations with our business partners are the foundation of all our businesses. We value communication with our business partners, and maintain fair business dealings with them based on related laws and regulations.

Initiatives with Clients

Advantest places value on open communication with our suppliers, and emphasizes maintaining fair business relationships by promoting the ESG Initiatives Basic Policy in accordance with relevant laws and regulations while respecting our business partners. We are also committed to sharing values and building collaborative relationships with our suppliers, toward our goal of achieving mutual growth.

 [Advantest Procurement Policy](#)

Education for Implementing Fair Trade

Advantest continues to educate our employees on the Act against Delay in Payment of Subcontract Proceeds, Etc, to Subcontractors in Japan raise greater awareness about this law. During the next fiscal year, we plan to broaden the scope of this initiative to encompass all employees in Japanese Group companies, to extend education to a wider range of employees, and to boost the overall level of awareness about this law. In the future, we will continue to educate our employees in order to realize the principles of fair trade.

ESG Action Plan 2021

The Advantest Group is aware of and understands the impact our company’s activities on society and the environment. By taking part in efforts to share and resolve social issues, Advantest aims to earn the trust of society by working to realize a sustainable society through our communications with business partners.

Aim	To promote the use of Renewable energy at our component suppliers and manufacturing contractors
Supervising divisions	Procurement, Production Design, and ESG Promotion Office
Why it is so important	Based on the Paris Agreement, an international agreement on measures against global warming, Advantest recognizes the importance of measures taken within the company and supply chains to reduce GHG emissions in order to realize a decarbonized society.
KPI	The number of suppliers that have introduced the use of renewable energy
FY2021 target	10
Boundary	Advantest Group
Relevant policies	ESG Initiatives Basic Policy
Relevant commitments	Paris Agreement, RE100, SBTi
Manager	Executive Vice President of the Production Group
Relevant complaint processing policy	Establishment of a contact window
Assessment	-

Aim	To share and improve ESG issues (risk management, human rights, occupational safety, the environment, fair trade, compliance, etc.)
Supervising divisions	Procurement, Production Design, and ESG Promotion Office
Why it is so important	To contribute to the realization of a sustainable society through business activities, there is a need to recognize and improve on environmental, social, and governance issues. Advantest believes that initiatives to share and improve ESG issues with the cooperation of our business partners are important.
KPI	The ratio of due diligence implemented by major business partners
FY2021 target	90%
Boundary	Advantest Group
Relevant policies	▷ ESG Initiatives Basic Policy ▷ Human Rights Policy ▷ Health and Safety Policy ▷ Procurement Policy ▷ Advantest Supply Chain CSR Promotion Guidebook
Relevant commitments	Labor Standards Act, Occupational Health and Safety Act, RoHS Directive, environmental regulatory thresholds of each municipality, Responsible Business Alliance (RBA) Code of Conduct
Manager	Executive Vice President of the Production Group
Relevant complaint processing policy	Establishment of a contact window
Assessment	-

Society

Aim	To not use any conflict minerals
Supervising divisions	Procurement, Production Design, and ESG Promotion Office
Why it is so important	Conflict minerals have become a grave issue for society and are restricted by the Sec. 1502 of the U.S. Financial Regulatory Reform Act (conflict minerals provisions). The entire industry has come together to address this issue, and Advantest recognizes the importance of responding to this issue.
KPI	Elimination of the use of materials (components) provided by red list smelters
FY2021 target	100%
Boundary	Advantest Group
Relevant policies	Procurement policy (3. Supplier Expectations)
Relevant commitments	Sec. 1502 of the U.S. Financial Regulatory Reform Act (conflict minerals provisions) and other relevant regulations, Responsible Minerals Initiative (RMI)
Manager	Executive Vice President of the Production Group
Relevant complaint processing policy	Establishment of a contact window
Assessment	—

Social Responsibility in the Supply Chain

Implementation of supplier surveys

In order to fulfill our social responsibility throughout the supply chain, including with respect to business partners, Advantest has published our "Procurement Policy" and "Advantest Supply Chain CSR Promotion Guidebook" on our website, and we ask our business partners to comply with relevant laws and regulations as well as social norms.

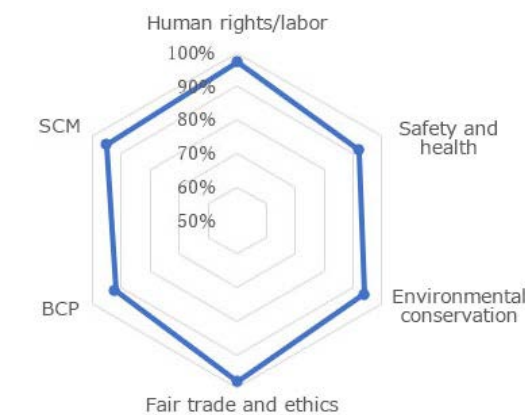
Along with quarterly assessments related to business partner QCD*, Advantest conducts surveys related to CSR for business partners that have a major impact on our material procurement. Such surveys focus on the content of the "Supply Chain CSR Promotion Guidebook," with content determined annually based on the analysis results up to the previous year and significant issues for Advantest in the target year, with special attention paid to seeing eye-to-eye with business partners. Furthermore, documents summarizing the results per business partner are prepared, and individual feedback is provided on points that were highly regarded and points for which we may request improvement in order to establish relationships of mutual growth.

The survey for FY2020 was conducted in April 2021, and Advantest was able to obtain responses from all companies that the survey was distributed to. The survey for FY2020 added the Advantest Procurement Policy, the RBA Code of Conduct, and other international initiative guidelines. We have confirmed that the "Supply Chain CSR Promotion Guidebook" content has been defined as company-wide policies and the code of conduct for each company's social responsibility. Advantest has sent feedback documents to some business partners defining individual items needing improvement, and we have requested their cooperation towards making such improvements.

The content of the FY2020 survey has also been taken into consideration in the FY2021 survey in order to confirm how our business partners meet Advantest procurement policies.

* QCD: An acronym of Quality, Cost, and Delivery.

* RBA Code of Conduct: A code of conduct pertaining to social responsibility advocated by the Responsible Business Alliance.



Results of the supplier survey (average score)

Establishment of a Contact/Reporting Window

We ask for reports to be made through the contact window on our webpage if there is any action by an Advantest employee, etc. that violates the code of conduct, business contracts, or laws and regulations, or any other action deemed to be suspicious. There were no complaints filed (no cases) in FY2020.

Note that Advantest will not subject the whistleblower, nor the whistleblower's company, to any disadvantage. If an investigation finds any issues, the relevant action shall be stopped and measures shall be taken to prevent recurrence.

Society

| Measures against procurement risks

Advantest promotes purchasing from multiple procurement sources as a general rule as a contingency for the procurement of components from the perspective of BCP.

In addition, we created a BCP map of our suppliers and manufacturing bases to speed up information collection and countermeasure examination in case of a disaster.

Response to Conflict Minerals

| Implementation of survey

At Advantest, in order to respond to Sec. 1502 of the U.S. Financial Regulatory Reform Act (conflict minerals provisions) and related regulations in the U.S., we are playing an active role together with the industry organization to address the conflict minerals problem.

Since 2013, we have been implementing an annual survey of our business partners regarding the use of conflict minerals through a RMI* report (conflict mineral reporting template (CMRT)) and releasing the results.

* RMI: [Responsible Minerals Initiative](#)

Governance

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Governance

Corporate Governance

Advantest's corporate mission is "Enabling Leading-Edge Technologies." Advantest constantly strives to improve so that we can offer products and services that will satisfy customers around the world, and contribute to the future of society through the development of the most advanced technologies.

In accordance with the corporate mission described in the preceding paragraph, and in response to our mandate from stakeholders, Advantest aims to achieve a sustainable level of business development for the Advantest Group and to enhance corporate value over the mid-to-long term. To that end, the Advantest Group will establish a fair and efficient and transparent governance system. Above is a basic view on the Advantest Group's corporate governance.

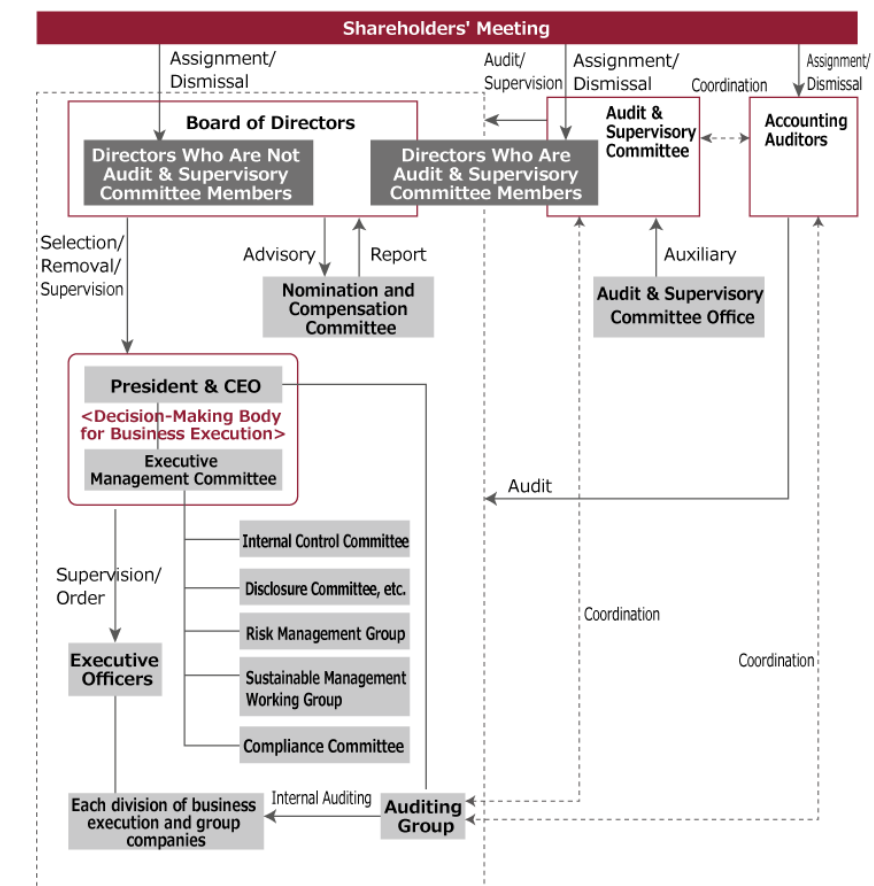


Management Structure

The global business environment is changing more rapidly than ever before, due to factors such as technological advancement and impact of the new coronavirus (COVID-19). To continuously increase our corporate value and competitiveness in today's world, we emphasize swift decision-making and execution. We also place an emphasis on sound, highly transparent business operations in compliance with relevant laws and regulations. In order to meet these challenges, we draw clear lines of authority within our organization and set responsibilities in accordance with each management function, assigning each role to the best person for the job.

We have become a company with an Audit and Supervisory Committee since June 2015. Advantest further strengthened its corporate governance and Board of Directors' audit function as a company with an Audit and Supervisory Committee, where the committee members use their voting rights in Board of Directors Meetings with the aim of further increasing our corporate value. Furthermore, we have established a structure that can quickly respond to the rapidly changing business environment, and in order to strengthen our corporate governance, we introduced an Executive Officer system in 2003.

Corporate governance structure



Governance

List of Governance Systems (As of June 23, 2021)	
Structure	Company with an Audit and Supervisory Committee
Number of Directors	11 (male:10 / female:1)
Number of Outside Directors	5 (45.5%)
Number of Non-Japanese Directors	2 (18.2%)
Term of Office for Directors who are Not Audit and Supervisory Committee members	1 year
Number of Directors who are Audit and Supervisory Committee members	3
Number of Outside Directors	2
Term of Office for Directors who are Audit and Supervisory Committee members	2 years
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Remuneration System	In place
Executive Officer System	In place
Executive Officers	24
Non-Japanese Executive Officers	10

Please see the information below for the Corporate Governance Report.

 [Corporate Governance Report \(PDF 706KB\)](#)

Board of Directors

The Board of Directors of Advantest, as the management decision making body, shall make decisions on significant matters with respect to the management policies and management strategies for Advantest group, and in its capacity to supervise management, the Board of Directors shall monitor and supervise

the status of exercise of duties by Executive Officers. Advantest strengthens the oversight and supervision functions of the Board of Directors so as to appoint multiple outside directors as members of the Board of Directors.

The Board of Directors met 13 times in FY2020, Mr. Yoshiaki Yoshida, Mr. Osamu Karatsu, Mr. Toshimitsu Urabe, Mr. Nicholas Benes, Mr. Soichi Tsukakoshi, Mr. Atsushi Fujita, Mr. Yuichi Kurita and Mr. Kouichi Nanba, attended 13 times, and Mr. Koichi Tsukui, Mr. Douglas Lefever and Ms. Sayaka Sumida attended 10 times, Mr. Hans-Juergen Wagner and Ms. Tsuneko Murata attended 3 times. All the members were present at every Board of Directors meeting. Note that attendance numbers vary since due to different appointment and resignation periods.

At the Board of Directors meetings, directors with a wealth of knowledge and experience expressed their opinions from each point of view on the agenda proposed by the management team, and active discussions took place. The Board of Directors meeting takes place once a month, and about 3 to 5 hours is spent per meeting to consider budgets, financial statements, personnel, and acquisition or sales of businesses, etc. As of June 23, 2021, the Board of Directors is composed of five executive directors (inside directors), one non-executive director (inside director), and five non-executive directors (outside directors) for a total of 11 members (including Directors who are Audit and Supervisory Committee members), of which two directors have non-Japanese nationalities, and one female director. In order to maintain seamless communication despite the diversification of Directors, Advantest has arranged for simultaneous interpretation at the Board of Directors meetings so that Board members can speak freely in both Japanese and English. Materials and minutes are also translated into English.

At a Board of Directors' meeting, all directors answered a questionnaire to evaluate the effectiveness of their roles and obligations. Their opinions on the structure of the Board of Directors, operation, and discussion status were collected and analyzed.

(Result of FY2019 and action in FY2020)

Regarding board effectiveness in FY 2019, Advantest considered the following three items: materials for distribution and explanation methods of the Board of Directors, the Nomination and Compensation Committee reporting method, and how outside directors should utilize outside experts.

- Regarding materials for distribution and explanation methods of the Board of Directors, executives prepare and attach an executive summary when providing materials to the Board of Directors. Also, the Board of Directors have presenters explain their topics briefly.
- Regarding the Nomination and Compensation Committee reporting method, the committee reported three times in FY2020 and provides sufficient information to the Board of Directors.
- Regarding utilization of outside experts by outside directors, outside directors can use third-party experts. Advantest will continue to improve this system to make it more effective.

Governance

(Result of FY2020)

Regarding the effectiveness of the Board of Directors in FY 2020, it was confirmed that discussion about corporate strategy is sufficient, and the Board of Directors exchanged opinions freely.

In addition, in order to enhance the effectiveness of the Board of Directors, it was decided that it is important to deepen the discussion of ESG within the Board of Directors and to consider a desirable composition of the Board of Directors.

 [Directors and Executive Officers](#)

Director Off-site Meetings

Advantest held off-site meetings to provide information and exchange opinions so that the Board of Directors can effectively discuss important issues such as the mid-term management plan, succession plan, and M&A. In FY2020, all Directors discussed our mid-term management plan and succession plan over two days. Outside directors were provided with information on the Advantest's core systems and business operations.

Director Training

In FY2020, Advantest conducted training for directors as follows.

- For newly appointed directors, Advantest held a briefing on its business, organization, etc. and conducted an office tour.
- Advantest provided an external training program on governance to newly appointed internal directors in Japan.

Nomination and Compensation Committee

In 2005, Advantest established a Nomination and Compensation Committee as a discretionary institution. The Nomination and Compensation Committee consists of three Directors (including two outside Directors selected by the Board of Directors' resolution), with an outside Director serving as the chairperson of the committee. The Nomination and Compensation Committee, in consultation with the Board of Directors, discusses matters related to the nomination and compensation of Directors and Executive Officers, and makes proposals to the Board of Directors. The Committee met 14 times during FY2020. The main discussion agenda of the Nomination and Compensation Committee is as follows.

* The number of members is current as of June 23, 2021.

- Candidates for Directors and Executive Officers
- Appropriate levels for Fixed Compensation, Performance-linked Bonuses and Stock Compensation
- Succession Plan for CEO

We have established a policy and procedures to assure the objectivity and transparency of the nomination and compensation of Directors, which are publicly available on the website.

 [Directors and Executive Officers Selection/Nomination and Dismissal Policy and Procedures \(PDF 86KB\)](#)

 [Directors and Executive Officers Compensation Policy and Procedures \(PDF 61KB\)](#)

Executive Compensation

In response to consultation from the Board of Directors, the Nomination and Compensation Committee deliberates and proposes the Compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) and Executive Officers to the Board of Directors. The Board of Directors deliberates and determines the compensation based on the proposal from the Nomination and Compensation Committee. The Audit and Supervisory Committee deliberates and determines the compensation for Directors who are Audit and Supervisory Committee members.

Executive compensation for FY2020 is as follows.

Category	Total Compensation (Millions of yen)	Total Compensation by Category (Millions of yen)					Number of Eligible Officers
		Cash Compensation			Non-Cash Compensation		
		Fixed Compensation	Performance-based Compensation	Other Cash Compensation	Stock Options	Performance-based Stock Compensation	
Directors (excluding audit and supervisory committee members) (excluding outside directors)	576	184	159	1	91	141	6
Directors (audit and supervisory committee members) (excluding outside directors)	42	42	–	0	–	–	1
Outside Directors	62	61	–	1	–	–	6

Governance

1. The above list includes one director (excluding audit and supervisory committee member) and one director (an audit and supervisory committee member) who resigned from its position on June 25, 2020.
2. Performance-based stock compensation and stock acquisition rights in the form of stock options are delivered to directors (excluding outside directors and directors who are audit and supervisory committee members) as non-cash compensation. Performance-based stock compensation is recorded as an expense in accordance with Japanese standards for the fiscal year 2020.
3. "Other cash compensation" in the table above refers to "congratulatory money" paid uniformly to all officers and employees, including directors, as a reward for achieving record-breaking performance in a single fiscal year in terms of net sales, net income and other performance indicators for the fiscal year 2020.

| Executive Officer System

Advantest has introduced an Executive Officer system that keeps decision-making functions separate from executive functions, in order to boost management efficiency.

Executive Officers are selected by the Board of Directors as senior management dedicated to the execution of operations. They have the responsibility for swiftly and efficiently implementing management policies and strategies determined by the Board of Directors. The term of each Executive Officer is limited to one year, so as to achieve more explicit accountability.

There is a total of 24 Executive Officers*, 10 of whom are not citizens of Japan (America: 3, Europe: 3, Asia: 4, percent of non-Japanese: 41.7%) appointed to enhance the integration of the company's global operations.

* The number of people given is correct as of June 23, 2021.

 [List of Directors](#)

Internal Controls

Advantest has set up and maintains internal control systems that correspond to the requirements of the Companies Act and the Financial Instruments and Exchange Act. In order to manage the group with an emphasis on performance evaluation based on the consolidated financial statements, these systems are built as a unified system that includes both Advantest and its affiliates.

Advantest has established an Internal Control Committee in which the Representative Director acts as

the chairperson and outside Directors are observers. This committee identifies and analyzes significant risks for the whole company, and clarifies the responsible department and procedures for responding to each risk. Regarding the Internal Control System, the execution status of implementation of the system to ensure the appropriateness of business is reported directly to the Board of Directors once a year. Furthermore, if a material weakness is found in the internal control system development and operating status and the internal control evaluation process, it is reported to the Board of Directors.

Refer to the following for more information on the Internal Control Committee and risk management systems.

 [Risk Management](#)

Auditing System

| Audit and Supervisory Committee

The Audit and Supervisory Committee investigates the status of Advantest's businesses and assets based on the audit policy and audit plan formulated by the Audit and Supervisory Committee. In addition, the Audit and Supervisory Committee will audit the execution of duties by Directors, Executive Officers and other business executing agencies by collaborating with internal control teams and Accounting Auditors. Advantest's Audit and Supervisory Committee is composed of one inside director and two outside directors whom are Audit and Supervisory Committee members (of which one is a full-time Audit and Supervisory Committee member)*. Directors who are Audit and Supervisory Committee members are appointed by the General Meeting of Shareholders separately from other Directors who are not Audit and Supervisory Committee members. The Audit and Supervisory Committee, the Auditing Group and other internal control departments, the Accounting Auditors, and the corporate auditors of each Advantest group company collaborate with one another so as to carry out regular discussions and timely meetings.

* The number of people given is correct as of June 23, 2021.

| Accounting Auditors

Accounting Auditors perform accounting audits of the consolidated financial statements, accounting documents, etc., and produce an audit report. Advantest has appointed Ernst & Young ShinNihon LLC as the Accounting Auditor, and undergoes the specified audit by the company.

Governance

| Internal Audits

Advantest has established an internal auditing team that comprises the Auditing Group, and the Singapore and Korean auditing team. To verify whether the company's day-to-day operations are carried out appropriately and efficiently in accordance with the requirements of relevant domestic and overseas laws ordinances, and internal rules, the internal auditing team implements operational auditing, compliance auditing and internal controls auditing. Besides evaluating the efficiency of the internal controls system, the internal auditing team also provides support to assist in making improvements at individual business locations, when necessary. The internal auditing team hold appropriate qualifications (such as Certified Public Accountant, Certified Internal Auditor, or Qualified Internal Auditor), and all team members are committed to enhancing auditing quality.

Risk Management

Advantest is building a risk management system around the Internal Control Committee. We continue to practice the plan-do-check-action cycle.

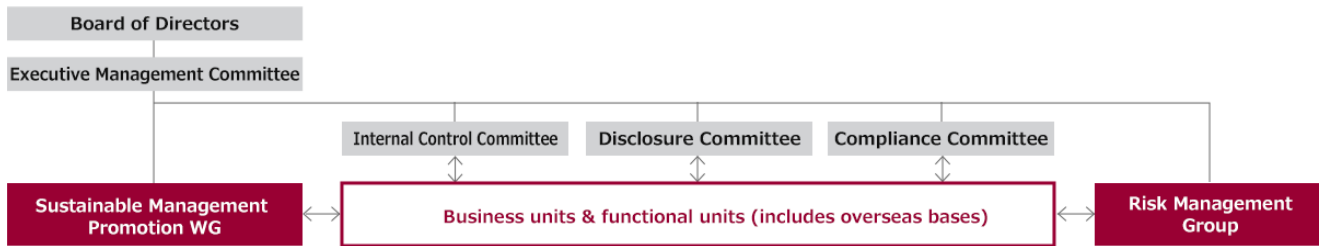
Risk Management System

| Approach to risk management

Because more than 90% of Advantest sales depend on overseas markets, we must implement risk management across multiple countries and regions. We believe that the key to quick response is a management system that addresses risks both top-to-bottom and bottom-to-top.

| Risk management system and organization

At Advantest, each unit carries out risk management under the risk control policy designated by the Internal Control Committee, and the Internal Control Committee supervises and assesses the statuses of each unit before offering feedback. Information is redirected in accordance with the nature of each risk. Risks related to information disclosure are sent to the Disclosure Committee, while risks related to compliance are compiled by the Compliance Committee. Emergency response is allocated to the Risk Management Group, whereas climate change risks are allocated to the Sustainable Management Promotion Working Group.



The Risk Management section of our Sustainability Data Book introduces the activities of the Sustainable Management Promotion Working Group and the Risk Management Group.

Governance

TCFD-based Climate Change-related Information Disclosure

| Initiatives for the TCFD recommendations

Based on the belief that sustainable growth requires assessment of the impact of climate change on business and financial conditions, Advantest announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2020, and has committed to analysis/ deliberation and disclosure in accordance with these recommendations.

For the first fiscal year of this initiative, FY2020, Advantest started by analyzing multiple RCP and IEA scenarios of IPCC and deliberating the physical and transition risks facing our business management. We will actively utilize the TCFD recommendation in FY2021 as well in our efforts toward sustainable growth, enhancing corporate value, and the realization of a sustainable society.

| Governance

Advantest newly established the Sustainable Management Promotion Working Group (WG) in FY2020. This WG is a promotional secretariat that identifies issues and makes assessments on climate change-related issues for the entire group and each Business Unit, Functional Unit, and Regional Unit. This information will be summarized in an ESG Action Plan to support and promote activities. The WG also shares information on implementation statuses with related company-wide committees such as the Disclosure Committee, Internal Control Committee, and Compliance Committee in a timely and appropriate manner, and will manage the progress of the entire group and perform risk management. The implementation status of the ESG Action Plan is reported to the Executive Management Committee and the Board of Directors twice a year for discussion and assessment. In FY2020, it was decided to support the TCFD recommendations and to participate in RE100.

| Strategies

Regarding scenario analysis and deliberation, Advantest referred to scenarios such as RCP8.5, RCP6.0, and RCP2.6 of the Intergovernmental Panel on Climate Change (IPCC) and SDS of the International Energy Agency (IEA) to begin deliberation of the physical and transition risks facing our business management. We assume that climate change will not have a level of physical impact that affects our business in the less than 2°C scenario if stringent measures to address climate change (e.g., carbon pricing) are implemented. Meanwhile, it can be anticipated that needs for semiconductors will increase in a decarbonized society, leading to a boost in business opportunities. In the 4°C scenario, if no measures are taken to address climate

change, we assume physical impacts from climate change, such as further increases in extreme weather events.

| Climate change risks and opportunities

In order to respond to the effects of climate change, climate change risks and opportunities were deliberated under the TCFD categories. These risks and opportunities were assessed according to their "priority" and "impact", and were categorized into time spans of "short-term (now until 2025)", "mid-term (now until 2030)", and "long-term (now until 2050)".

Risks related to climate change

Two scenarios described in the TCFD categories were deliberated regarding business risks related to climate change—(1) "Risks related to the transition to a decarbonized society", which occurs mainly during the less than 2°C scenario, and (2) "Risks related to the physical effects of climate change", which occurs in the 4°C scenario in which global CO₂ emissions reduction goals are not achieved.

Less than 2°C scenario: Risks transitioning to a decarbonized society

Category	Major risks	Response/strategy	Time axis
Policies and regulations	Skyrocketing prices of products and components due to the introduction of a carbon tax	Promotion of CO ₂ reduction management across the supply chain	Short-term
Technology	Increased demand for further energy-saving performance (e.g., low power and compact sizes) alongside improvements in testing performance Decline in sales due to a failure to meet customer needs	R&D on energy-saving technologies and development of the next generation of human resources	Mid-term
Market	Spread of new semiconductors	Development of new testing methods and testing devices	Long-term
Reputation	Decrease in reputation among stakeholders due to delays in GHG emissions reduction plans	Steady and sure implementation of energy conservation and energy-saving plans according to the roadmap	Short- to mid-term

Governance

4°C scenario: Physical risks of climate change

Category	Major risks	Response/strategy	Time axis
Acute/ chronic events	Disruption of the supply chain due to large-scale typhoons and torrential rainfall	Response based on the business continuity plan	Long-term

Climate change opportunities

Semiconductors will contribute to the decarbonized society, where stringent climate change countermeasures will be imposed. We can assume that the quantity of manufactured semiconductors will continue to grow due to factors such as the expansion in semiconductor demand accompanying the digital revolution. Meanwhile, the quality and quantity of semiconductor testing will increase in hand with the sophistication and technological evolution of semiconductors. It is thought that demand for semiconductor testing will increase because such demand will be multiplied by the two factors of "enhanced testing content per chip" and the "increase in the physical quantity of semiconductors", and so Advantest recognizes the decarbonized society to be an opportunity presented by climate change.

Advantest will make investments to achieve these technological advancements, such as in research and development and in developing the next generation of human resources, as part of our efforts to contribute to the future decarbonized society through semiconductor testing and product development of new semiconductor technologies.

Climate change-related opportunities

Category	Major opportunities	Response/strategy	Time axis
Products & services/ market	Expansion of testing markets and further increase in semiconductor demand with the digital revolution	R&D on energy-saving technologies	Mid-term
Products & services/ market	Spread of new semiconductors	Development of new testing methods and test devices	Mid-term
Reputation	Earning of society's trust as a resilient company	Steady and sure implementation of energy conservation and energy-saving plans according to the roadmap	Mid-term

Risk management

Advantest recognizes obstacles that hinder business management as risks, and has established a company-wide risk management system. Business risks from climate change are managed within this system. Risks that require priority response as well as potential future risks are analyzed and assessed with the support of the Sustainable Management Promotion Working Group. The company-wide risk management system is employed to determine measures to avoid or alleviate such risks through business continuity planning.

Indicators and goals

The Advantest Group established mid-to-long-term goals for climate change measures (CO₂ emissions reductions) in April 2020, with our sights on "mitigation of climate change and the realization of a decarbonized society" and RE100, towards the promotion of ESG management, which is the foundation of the ADVANTEST Way, and the realization of a sustainable society. Regarding the incorporation of renewable energy, almost all European and American business bases had introduced renewable energy as of 2020. In Japan, our Gunma Factory plans to become RE100 compliant in 2021. Furthermore, Advantest has established long-term goals for GHG emissions, aiming to reduce not only Scope 1 and 2 emissions but also emissions generated when Advantest products are operated at customer sites (Scope 3).

Governance

Business Continuity Initiatives

Systems for Disasters and Other Emergency Situations (Risk Management Group)

In December 2001, Advantest established the Risk Management Group, wherein the president assumes the position of general manager. In the event any of the following crises occurs, the Risk Management Group will centralize collection of information, conduct an initial assessment, direct the initial response, implement planning for recovery, etc., by acting promptly and appropriately until recovery is complete:

- 1. If damage is caused to buildings or facilities, or if networks and systems stop functioning, thereby making it difficult to continue our business operations, or if there is the possibility of this type of situation occurring due to a disaster or accident;
- 2. If our executives or employees are in danger or possibility of danger of death or bodily injury due to a disaster or accident;
- 3. If there is a scandal or incident that may to become a matter of public concern; or,
- 4 .In addition to those described above, if there is any event, which may cause a significant impact on the business of the Advantest Group due to a disaster or accident.



Business Continuity Plan

The Advantest Group established the following basic policy in fiscal 2007 for large-scale natural disasters. We have devised our business continuity plan based on this policy.

Business Continuity Plan (BCP) – Basic Policy

- We will place top priority on ensuring human safety should a major disaster strike.
- We will minimize the adverse effect to our suppliers and other stakeholders , and fulfill our corporate responsibility.
- We will cooperate with local society in regular disaster prevention activities, and will assist the recovery of local society in case of disaster.

Determining specific measures for BCP

After the Great East Japan Earthquake in March 2011, we reviewed our disaster prevention arrangements. In fiscal 2012, we rebuild our Business Continuity Plan (BCP) to take into account the possibility of an earthquake in Tokyo and flood along the Tone River, and to ensure the integrity of our supply system even in the event of such disasters. Under the BCP, the following measures are stipulated in line with the basic policy.

Basic Policy	Specific Measures
1. Ensuring human safety	In addition to the regular disaster prevention and safety confirmation drills, we will strengthen crisis management and business continuity systems, making human safety the top priority.
2. Fulfillment of supply responsibilities	In case of an earthquake, we will continue to supply systems fromour main manufacturing plant (i.e. the Gunma Factory) . In the case of a flood, we will continue to supply systems from alternative 3rd party manufacturing sites.
	In preparation for cases where workplace attendance is temporarily impractical because of damage to offices or infrastructure, we will establish remote work environment.
3. Contributions to local society	Our Gunma R&D Center has been designated by Meiwa Town as an evacuation shelter in case of flooding, and we contribute to the area by keeping the site ready for flood evacuees.

Measures Implemented in Fiscal 2020

In February 2021, a management review was conducted on the roles, policies, and activity policies of the Risk Management Group. The progress status of production BCP per product was confirmed.

Governance

| Disaster Responses

2021	February	Fukushima Earthquake: All companies in Japan carried out safety confirmation.
	July	All companies in Japan conducted safety drills.
	June to August	Conducted COVID-19 vaccinations in the workplace for employees of the Gunma/Saitama regional offices, and employees of the Sendai office participated in the workplace vaccination conducted by the Public Interest Incorporated Group Corporation Sendai Kita.

| COVID-19 Countermeasures

The Risk Management Group is making efforts to collect information on the pandemic situation both in Japan and overseas in order to inform employees of COVID-19 countermeasures while reporting to management as necessary.

In Japan

In Japan, telecommuting has been recommended since February 2020 as a safety consideration for employees. As a general rule, during the state of emergency periods, employees of offices in applicable regions and residents of applicable regions were required to telecommute. In addition, business trips and visitors were prohibited as a general rule. Furthermore, we conducted e-learning activities to educate employees about COVID-19, and we had employees with symptoms (e.g., fevers) report their conditions to the Risk Management Group through their superiors, enabling us to respond promptly in the event of COVID-19 infection.

Countermeasures implemented in offices have included installation of thermal cameras at regular entrances and service entrances, taking of body temperatures, and confirming wearing of masks upon arrival at work. Employees with fevers are required to stay home, and masks are provided for employees who need them. Hand-sanitizing stations have been installed at company entrances, and some office areas where employees are in close proximity have installed acrylic plates. Antiviral coating has been applied to common spaces (e.g., meeting rooms) to reduce the risk of infection through contact. Offices with cafeterias have changed their hours to disperse crowds and have reduced the number of chairs available to ensure social distancing.

In the event that an individual is confirmed to have COVID-19, temporary office closures and disinfection of areas used by the infected individual are implemented in accordance with the infected individual's commuting status.

The utmost care is being taken so that nothing interferes with production at the Gunma Factory, which is the main production factory for semiconductor test equipments. As a countermeasure in the event that someone becomes infected, workers are provided with smartphones that have the contact-tracing app released by the Ministry of Health, Labor, and Welfare installed to enable them to confirm whether they have had any contact. We have also recommended installation of this contact-tracing app on employees' personal smartphones and requested employees' cooperation in confirming any contact with infected individuals.

Overseas

Our overseas Group subsidiaries follow government ordinances for commuting in their respective countries.

Each business base has been providing education on COVID-19 through informational posters in addition to providing masks and hand sanitizer; reviewing the scope of cleaning; ensuring regular disinfection, ventilation, and social distancing; and enhancing IT infrastructure to boost telecommuting work efficiency.

Furthermore, business trip schedules are prepared in consideration of quarantine periods so as to ensure appropriate response to customer requests.

When a COVID-19 infection is confirmed at an overseas Group subsidiary, countermeasures similar to those taken in Japan are implemented to prevent the spread of infection, and the crisis management leader of the subsidiary makes use of the notification/information sharing systems to inform the Risk Management Group at the Head Office.

| Workplace vaccinations

In Japan, workplace vaccinations for COVID-19 took place at the Gunma R&D Center from late June to August 2021, mainly for Gunma and Saitama regional employees and select clients. The town office of Meiwa Town in Oura County, Gunma Prefecture, where the Gunma R&D Center is located, provided information on mass vaccination that facilitated our workplace vaccinations.

Furthermore, employees of the Advantest Laboratories and the Sendai Factory as well as their families could receive their vaccinations through the workplace vaccinations conducted by the Public Interest Incorporated Group Corporation Sendai Kita.

At our overseas business bases, Advantest Europe GmbH has been conducting vaccinations within their offices for employees and their families. Our Malaysian offices have also been conducting mass vaccinations for their employees and the employees of major clients in coordination with the government.

Governance

Compliance

We take measures to ensure that all Advantest employees fulfill their duty to society through the maintenance of high ethical standards, thereby helping to ensure that Advantest continues to enjoy the trust of stakeholders.

Initiatives to Promote Ethical Business Practices

| Our Stance and Basic Policy on Compliance

Companies aiming for sustainable growth need employees who fulfill their social responsibilities and who possess a strong sense of ethics. They also need to earn the trust of stakeholders. Based on this belief, Advantest has established the ADVANTEST Way as a basic principle for our management and business execution, which lays out our corporate mission, vision, core values, corporate mantra, ESG for sustainability, and specific ethical standards, in order to enhance our ethical awareness.

 [The Advantest Way](#)

| Compliance Promotion System

Advantest gives guidance and advice to all Group employees to ensure that they fully understand and comply with the ADVANTEST Way and has established a global management structure.

The chairperson of the Compliance Committee is the managing officer of compliance, and the committee is responsible for matters related to legal compliance, respect for human rights, information security, and the Corporate Ethics Helpline for the entire Group. As a general rule, the Compliance Committee meets once per quarter and collects compliance information from around the globe. Information gathered by the Compliance Committee is reported at Board of Directors meetings, etc. by the managing officer of compliance.

In addition, communications with overseas subsidiaries have been reinforced, led by the Compliance Division that was established in FY2019, in order to strengthen compliance systems throughout the entire Group. In FY2020, we conducted an assessment of compliance systems at major overseas subsidiaries.

Moreover, in order to fulfill our responsibilities as a member of international society, regular compliance auditing is conducted by the global audit team to confirm whether business is being conducted appropriately under each country's laws and regulations.

| Compliance Education

When globally deploying its business, Advantest believes that it is important to ensure thorough legal compliance worldwide and to pay attention to compliance across the Group, after obtaining a good understanding of the different laws and regulations in each country.

For this reason, through cooperation between Advantest's audit teams and the legal affairs departments, we are working to strengthen training activities related to national laws and regulations. In addition, to ensure employee commitment in regard to compliance matters, we are implementing regular e-learning sessions for all Group employees on the ADVANTEST Way, "anti-corruption and anti-bribery," "export control," "intellectual property," and "information security."

Moreover, training is implemented locally in each country based on the relevant country's ordinances.

| Advantest has signed a Memorandum of Understanding with waste management companies in its efforts toward the exclusion of anti-social forces

The Tokyo metropolitan government and other regional governments have issued organized crime exclusion ordinances, and each company is obligated to make efforts to stipulate in writing that it will terminate contracts if the business partner is found to be an anti-social force.

Furthermore, as a request for a comprehensive overhaul of corporate behavior and as a method to exclude anti-social forces, the Japanese Business Federation (Keidanren) recommends concluding the above memorandum.

To comply with the organized crime exclusion ordinances and the recommendations of Keidanren, the Advantest Group signs a Memorandum of Understanding that stipulates it will terminate contracts if the business partner is found to be an anti-social force with all partner waste management companies.

| Prevention of Bribery and Compliance with the Anti-Monopoly Act

The basic philosophy of the Advantest Group, which is embodied in the ADVANTEST Way, attaches great importance to the awareness of one's responsibilities to society, and to the maintenance of integrity in one's conduct. Advantest implements a variety of measures to prevent the occurrence of bribery or other corrupt practices, and to prevent anti-competitive behavior.

 [The Advantest Way](#)

Governance

Prevention of Bribery and Other Corrupt Practices

As a supplement to the ADVANTEST Way, Advantest has also formulated an Anti-corruption and Anti-bribery Policy, which clarifies, in detail, Advantest's rules in relation to the prevention of bribery and other forms of corruption throughout the world.

All Group employees participate in annual "anti-corruption and anti-bribery training" (e-learning) to enable all employees to fully comprehend this policy and to behave in a manner that does not violate any laws or regulations of the country they are in.

In fiscal 2020, Advantest was not the subject of any legal action relating to bribery or other corrupt practices.

 [Anti-corruption and Anti-bribery Policy \(PDF 319KB\)](#)

Compliance with the Anti-Monopoly Act

Advantest educates its employees about all aspects of anti-competitive behavior prevention as part of its Code of Conduct training, which places particular emphasis on the need to comply with the Anti-Monopoly Act. Education on the Act is provided to personnel in all relevant departments, including procurement divisions, along with management and new recruits. Going forward, Advantest intends to continue providing education and training aimed at ensuring fair business practices. In addition, Advantest's Internal Auditing Department samples purchasing transactions to verify that there are no violations of any kind.

Advantest was not subject to any legal action for anti-competitive behavior in fiscal year 2020.

| Community Engagement

Advantest engages in business activities as a member of the community and society, and our stakeholders include various organizations, governments, and local government as well. Our goals are the sustainable growth of Advantest, participating in businesses that will resolve social issues, and contributing toward the attainment of a sustainable society through collaborations with these organizations, institutions, and local communities.

Economic and Industry Organizations

Through our participation in various organizations and associations related to the business and trade, semiconductor and electronics industries, Advantest collects information on elements such as next-generation technology standards and enforcement of further social regulations which will lead to future business opportunities and risks, in our efforts to enhance the sustainability of our company. We also make efforts in expanding our contributions toward a sustainable society by deepening our understanding of various social issues through participation in various organizations.

Of the organizations Advantest participates in, such as the Keidanren (Japan Business Federation), SEMI, and Semiconductor Equipment Association of Japan, some may make proposals regarding political and social issues. Participation in organizations does not necessarily imply that we fully endorse that organization's perspective concerning various policies.

Political Contributions and Sponsorships

There are cases in which Advantest makes donations, etc. to various organizations. When doing so, screening and decisions are made in accordance with our internal regulations with regard to purpose and public interest, including whether the initiative contributes to social development and the degree of contribution made toward social missions. These donations, etc. are properly implemented under the relevant laws and regulations of each country.

Academic Support and Next-generation Development Support

Enabling Leading-Edge Technologies: the business activities of Advantest are supported by the skills of many engineers from around the world and the understanding of the communities in which we operate. With this, Advantest supports academia and science education, mainly in regions that host our research and development sites, to contribute toward the development of human resources for science and technology. For example, in Japan, we have established "The Advantest D2T Research Division" at the Tokyo University Systems Design Lab (d.lab), to provide students in Japan studying design technology of very large scale integration (VLSI) with an integrated education environment from VLSI design to testing, with the aim of developing specialist in test design and supporting research activities for SoC (System on Chip) design. Advantest also makes efforts to promote mutual understanding and exchange between international students and Japanese society, etc. through supporting (by making donations to) the Foundation of Corporate Friendship Network for Foreign Students with the aim of supporting students from around the world studying in Japan. We also are continuing our community-based activities while under the limitations due to the COVID-19 pandemic, such as holding science craft classes for children in elementary schools near our Japan business bases, and hosting "Girl's Day" workplace experiences by

Governance

inviting German female students interested in electronics to our offices.

Humanitarian Support — Efforts During the COVID-19 Pandemic

Advantest has been involved with many social support and charitable activities around the world for many years, rooted in "the Advantest Way."

This was especially true in the year 2020, when the COVID-19 pandemic spread across the world. Advantest increased its donation budget across the group to support medical assistance and socially vulnerable citizens in need in Japan, the U.S., Germany, and Singapore, through donations to organizations such as medical and nursing associations, medical institutions, Red Cross Societies, and NPO organizations. Direct support to enhance virus detection capabilities in society was also made through donations of our nanoSCOUTERTM particle counter to research institutions.

Along with support activities related to the pandemic, Advantest also supports victims of major disasters. Furthermore, Advantest employees around the world continue to engage in charitable activities along with their business activities in order to support disabled people, refugees, and people facing economic hardships.

Export control

In order to keep products and technologies out of the hands of nations and terrorists that threaten the safety of the international community, the Advantest Group pays the utmost caution to laws and regulations regarding security export control, along with self-management. In the unlikely event of an illegal export, legal sanctions such as temporary export bans will be imposed, which will call into question the social responsibility of the company that made the illegal export and lead to severe damage. Advantest has a basic policy of global compliance with laws and regulations, and has established in-house regulations that require export control to be implemented based on each country's laws and regulations.



In international society, which is changing rapidly, security issues such as terrorist attacks and the development of weapons of mass destruction are becoming more serious by the day. As many Japanese products incorporate advanced technologies, it is necessary to implement measures that prevent leakage to countries and organizations that are subject to international sanctions. The Advantest Group carries

out appropriate business practices by having export control officers collect information based on updated laws and orders, etc., based on laws, and incorporating this information into on-site education and training programs.

An export control system in compliance with laws and regulations

At Advantest, the Representative Director serves as the chief executive for export control, in accordance with the Foreign Exchange Law and other relevant laws and regulations. The control system has been constructed and is operated under the leadership of top management since a failure to implement security export control may create a situation that endangers the company's survival.



The Export Control Division of the Head Office regularly audits whether export procedures are being conducted properly in accordance with the basic policy/rules and regulations on export control, and the results are reported to the Chief Export Control Officer and the Export Control Manager. Furthermore, Advantest is also taking into consideration the trade friction between China and the US. Although this is an issue in terms of international law, US export control regulations are applied extraterritorially to Japan. For this reason, working groups with the participation of related domestic and overseas parties have been established to regularly share information and to ensure that there are no violations of laws or regulations that the US would regard to be problematic.

Export control education

As the vast majority of Advantest employees operate globally, we provide e-learning that outlines export control along with annual training on export control concepts and necessary procedures. All employees in Japan and overseas participate. The content of these initiatives include "the business environment," "export control for security," "targets of export control," "Advantest's export control policy," "points of caution upon export," "export of technology (provision of services)," and "EAR." We will continue to develop and implement more practical content, such as rules reinforcement and addressing important topics.

Governance

Tax compliance

| Basic policy on tax

We fulfill its corporate social responsibility by appropriately paying taxes based on compliance with national and regional laws, and tax guidelines published by international organizations such as the OECD and the BEPS (Base Erosion and Profit Shifting) Action Plan. We do not engage in contrived arrangements for the purposes of avoiding tax.

| Secure transparency

We shall have appropriate disclosures like Annual Financial Report in accordance with the Financial laws and regulations. With respect to taxes, we disclose tax information based on laws and regulations in disclosed reports.

| Build relationship of trust with tax authorities

We strive to reduce tax risks by building a strong trustworthy relationship with national tax authorities by responding appropriately and cooperatively to their requests for information disclosure.

| Appropriate management of the transfer pricing taxation

We recognize the importance of the transfer pricing taxation and executes inter-company transactions based on arm's length principle. We will also pay taxes in proportion to the contribution of the added value created in each country / region.

| Tax Havens

We do not engage in deliberate tax avoidance through the use of tax havens (i.e., countries or jurisdictions with no or significantly lower tax rates).

Information Security

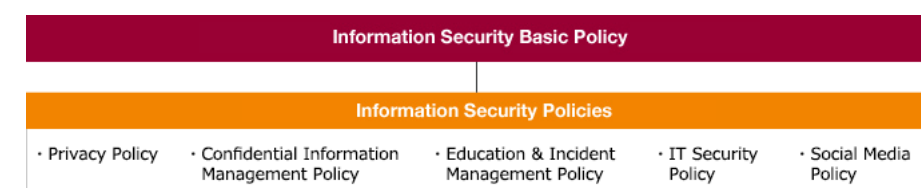
Advantest considers information security management to be an important management issue, and is implementing measures to ensure information security.

Our Commitment to Information Security

The Advantest Group recognizes information received from customers and clients, in addition to our company's technology and sales information, to be valuable information resources. We are committed to proper management of information through the security measures of the Information Security Committee, which include establishing regulations, constructing control systems, and providing employee education.

| Policies and Rules Related to Information Security

Advantest has established an Information Security Basic Policy. Rules are specified in five policies: our Privacy Policy, Confidential Information Management Policy, Education & Incident Management Policy, IT Security Policy, and Social Media Policy. Each policy will be reviewed by the Information Security Committee as necessary.



| Organization of the Information Security Management System

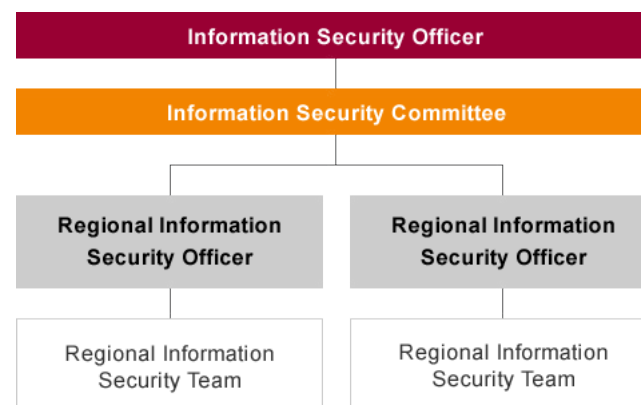
Advantest recognizes information security management to be a critical business management issue, and has instated the General Manager of Administration as the Information Security Officer within a global system.

Furthermore, Regional Information Security Officers have been appointed in each country to deliberate information security measures to be applied to the Group from various perspectives, and they consider the establishment, revision, and abolition of rules and policies for security measures, thus realizing a system in which each company can actively implement information security measures.

Specifically, the General Manager of Administration in each company functions as the Regional Information Security Officer and is responsible for the management of information security in their assigned region;

Governance

they appoint members from relevant departments in their countries to be the personnel in charge of implementation. Important reports from each country are forwarded to the Information Security Officer through the Information Security Committee.



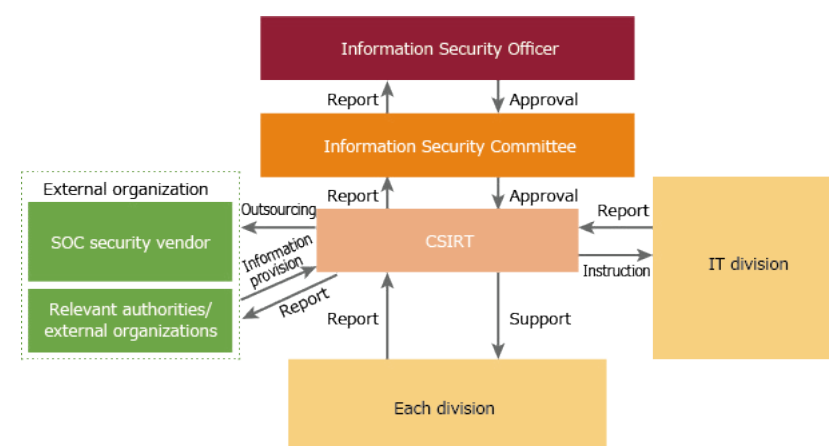
System for Responding to Information Security Incidents

In FY2020, Advantest formed the Advantest CSIRT^{*1} to reinforce initial response systems for information security incidents. Furthermore, a SOC^{*2} security monitoring system that operates 24 hours a day, 365 days a year has also been incorporated to facilitate early detection and swift response to global cyberattacks.

An emergency call center (available 24 hours a day) has been established to receive incident reports from employees, thus realizing a system that can receive information at all times.

*1 CSIRT (Computer Security Incident Response Team)

*2 SOC (Security Operation Center)



Efforts to protect information

Information Security Training

Based on our belief that people are the last line of defense in information security, our Group is working to ensure that our information security policies and relevant regulations are thoroughly understood. Information security training, in which all employees participate, is based on the policies of "Personal Information Protection", "Confidential Information Management", "Training and Incident Response" and "IT Security" along with training that includes simulations of actual cyberattacks.

Furthermore, information on information security is published on the company website to provide information to employees in a timely manner.

We will continue to develop and implement more practical content, such as rules reinforcement and addressing important topics.

Training/Awareness Raising as Part of the Information Security Training

- Information Security Training through e-learning for all employees: 1
- Targeted email threat training: 1
- Broadcast of information to raise awareness: 9

Initiatives for Strengthening Information Security

- The Advantest Group has established a system in which our audit division conducts information security audits. This enables more objective checks to be carried out based on specified rules and provides a way for the divisions that have been audited to give feedback.
- Since FY2019, we have been making efforts to further reinforce security by configuring multi-factor authentication in order to prevent identity theft.
- Security risk assessments and vulnerability tests conducted by external organizations are carried out to objectively evaluate our information security measures, and the results enable us to narrow down the points that need improvement in order to raise our level of security.
- As security measures, enhanced filtering functions and adding warnings on emails sent from outside the company have been added.

Governance

- Efforts are underway to acquire ISO27001 certification to ensure continuous implementation of PDCA to reinforce our level of security. We are scheduled to acquire this certification in FY2021.

| Confidential Information Protection

Our Information Security Basic Policy defines confidential information as information that has been disclosed by clients under contract along with information that is important to the company. Moreover, the policy stipulates that such information must be handled in accordance with relevant regulations.

Accordingly, we are committed to ensuring that confidential information is not divulged outside the company by ensuring that it is protected through the use of adequate controls governing its storage, disclosure and handling. In fiscal 2020, there were no incidents involving the unauthorized disclosure of important confidential information, etc.

| Personal Information Protection

We consider the confidentiality of all personal information entrusted to us to be very important, and accordingly we take steps to ensure that such information is properly protected and managed.

Our commitment to safeguarding personal information entails posting personal information managers in divisions that handle such duties, and ensuring that those managers carry out their duties properly with regard to overseeing such information. Furthermore, we perform regular audits of personal information management and usage practices in each division, and make improvements whenever deficiencies are discovered.

In Group companies outside of Japan, Regional Information Security Officers work to protect and manage personal information in accordance with the laws, regulations, and demands of each respective country or region.

There were no major cases of personal information leaks in FY2020.

 [Privacy Policy](#)

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ESG Data

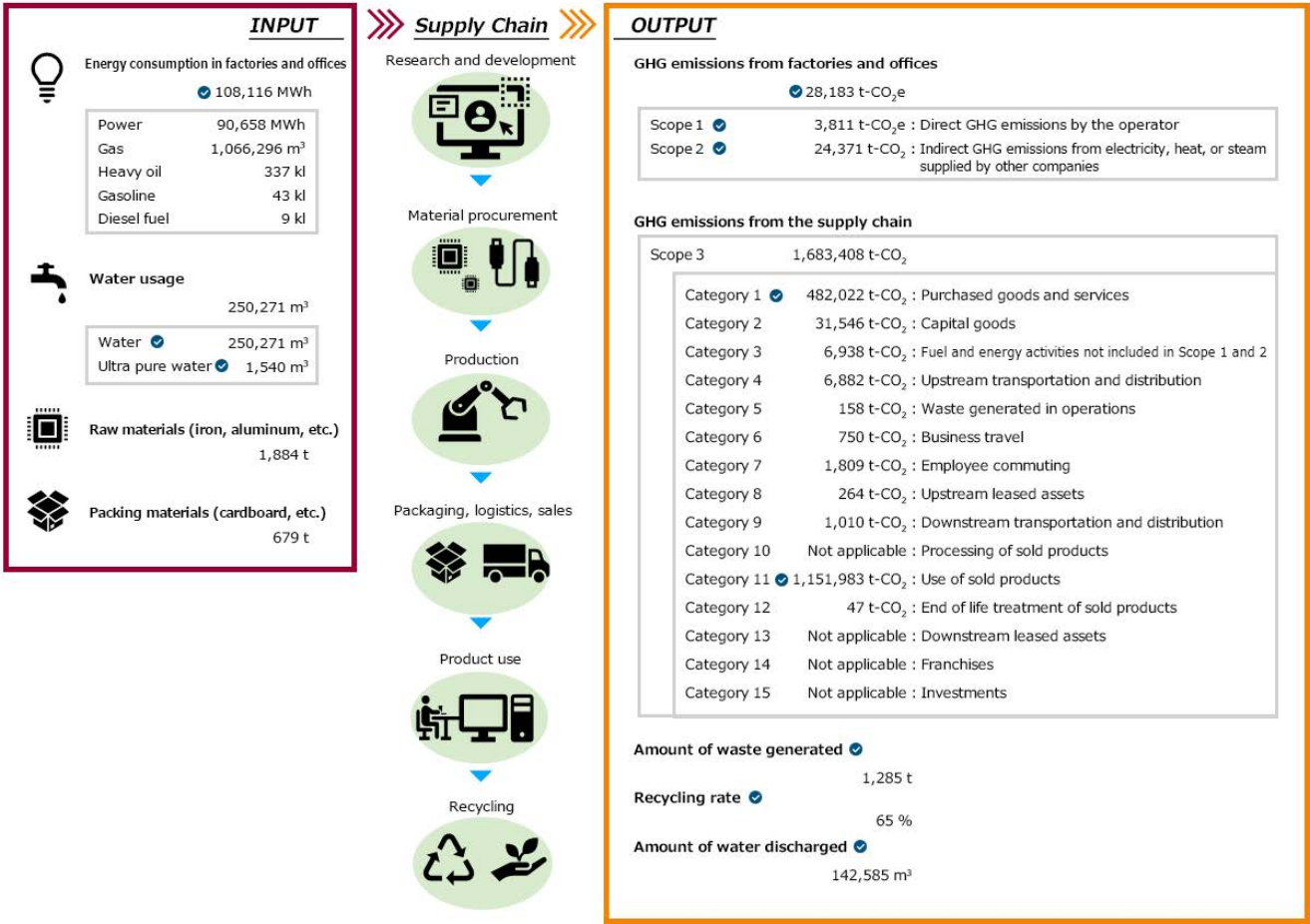
Data Collection

We are collecting data on sustainability.

Environmental Data

Advantest keeps tabs on the company's annual environmental load and discloses the data.

Material Flow (FY2020)



* The FY2020 figures marked with the symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Environmental Load Data

Boundary of Data

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Boundary of data	Japan	Base	8	8	8	7	7
	Overseas	Base	9	9	9	9	9

- * Values for "Japan" include affiliated companies within the sites of business bases. Values for "Overseas" are of major affiliated companies.
- * From FY2019, energy consumption and CO₂ emissions for Advantest Test Solutions, Inc. and Essai, Inc. have also been included.
- * Advantest Philippines, Inc. and Advantest (Thailand) Ltd. have been excluded due to the small size of their offices, and calculations have been conducted once more retroactively.

ESG Data

Energy Consumption and Power Generation

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Energy consumption 	Japan	MWh	40,514	42,827	45,338	42,903	44,609
	Overseas	MWh	46,594	47,767	55,159	61,141	63,507
	Total	MWh	87,109	90,594	100,497	104,044	108,116
Electricity consumption (Quantity purchased + Quantity of in-house power generation)	Japan	MWh	32,209	34,771	37,361	37,334	40,038
	Overseas	MWh	35,417	36,430	39,932	44,726	50,620
	Total	MWh	67,627	71,201	77,294	82,059	90,658
Gas consumption	Japan	m ³	350,473	331,076	316,752	131,864	21,773
	Overseas	m ³	887,419	897,425	1,224,000	1,322,043	1,044,524
	Total	m ³	1,237,892	1,228,501	1,540,751	1,453,906	1,066,296
Heavy oil consumption	Japan	kl	263	268	277	263	312
	Overseas	kl	42	45	40	41	24
	Total	kl	304	313	317	304	337
Gasoline consumption	Japan	kl	55	47	46	53	43
	Overseas	kl	0	0	0	0	0
	Total	kl	55	47	46	53	43
Diesel fuel consumption	Japan	kl	10	11	13	12	9
	Overseas	kl	0	0	0	0	0
	Total	kl	10	11	13	12	9
Renewable power purchased 	Japan	MWh	0	0	0	0	8,327
	Overseas	MWh	0	0	0	0	0
	Total	MWh	0	0	0	0	8,327
Amount of Tradable Green Certificate purchases 	Japan	MWh	0	0	0	0	0
	Overseas	MWh	8,941	9,200	9,200	23,072	31,629
	Total	MWh	8,941	9,200	9,200	23,072	31,629
Total quantity of renewable power  *	Japan	MWh	0	0	0	0	8,327
	Overseas	MWh	8,941	9,200	9,200	23,072	31,629
	Total	MWh	8,941	9,200	9,200	23,072	39,956

ESG Data

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Renewable Power Percentage	Japan	%	0	0	0	0	20.8
	Overseas	%	25.2	25.3	23.0	51.6	62.5
	Total	%	13.2	12.9	11.9	28.1	44.1
Power generation of solar power generation systems (Electricity sold)	Japan	MWh	0	0	0	0	0
	Overseas	MWh	1,493	1,494	525	0	0
	Total	MWh	1,493	1,494	525	0	0

* Values for the total quantity of renewable power are a tally of renewable power purchased and amount of tradable green certificate purchases.

* The FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

GHG Emissions

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Scope1 + Scope2  (* Scope 2 refers to the market-based)	Japan	1,000t-CO ₂ e	18.21	18.88	19.68	19.14	16.25
	Overseas	1,000t-CO ₂ e	16.05	16.26	18.45	14.71	11.93
	Total	1,000t-CO ₂ e	34.25	35.14	38.13	33.85	28.18
Scope1 ^{*1} 	Japan	1,000t-CO ₂ e	1.75	1.71	1.86	1.44	1.43
	Overseas	1,000t-CO ₂ e	2.08	2.12	2.83	3.04	2.39
	Total	1,000t-CO ₂ e	3.84	3.83	4.68	4.48	3.81
Scope2  (Location-based)	Japan	1,000t-CO ₂ e	18.91	17.80	18.68	18.22	18.82
	Overseas ^{*2}	1,000t-CO ₂ e	18.31	18.34	19.61	21.33	18.91
	Total	1,000t-CO ₂ e	37.21	36.14	38.29	39.54	37.73
Scope2  (Market-based)	Japan	1,000t-CO ₂ e	16.45	17.17	17.82	17.70	14.83
	Overseas ^{*2}	1,000t-CO ₂ e	13.96	14.14	15.62	11.67	9.54
	Total	1,000t-CO ₂ e	30.42	31.31	33.45	29.37	24.37
Scope3	Category1 	1,000t-CO ₂ e			489.53	400.46	482.02
	Category2	1,000t-CO ₂ e			15.19	22.73	31.55
	Category3	1,000t-CO ₂ e			3.58	3.71	6.94
	Category4	1,000t-CO ₂ e			6.20	5.27	6.88
	Category5	1,000t-CO ₂ e			0.18	0.15	0.16
	Category6	1,000t-CO ₂ e			0.64	0.72	0.75

ESG Data

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
	Category7	1,000t-CO ₂ e			1.84	2.04	1.81
	Category8	1,000t-CO ₂ e			0.40	0.39	0.26
	Category9	1,000t-CO ₂ e			0.55	0.33	1.01
	Category10	1,000t-CO ₂ e	N/A				
	Category11 	1,000t-CO ₂ e			1,175.02	855.01	1,151.98
	Category12	1,000t-CO ₂ e			0.04	0.04	0.05
	Category13	1,000t-CO ₂ e	N/A				
	Category14	1,000t-CO ₂ e	N/A				
	Category15	1,000t-CO ₂ e	N/A				
	Total	1,000t-CO ₂ e			1,693.16	1,290.84	1,683.41
Total emissions ^{*3}	Total emissions	1,000t-CO ₂ e			1,731.30	1,324.69	1,711.59

* Some items have been retroactively corrected according to past data by updating the emission factors.

* The FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

*1: From FY2018 onward, GHG emissions (PFCs and SF6), excluding those from energy sources, are included in the calculations.

*2: Up to FY2019, Scope 2 emissions, both by the market- and location-based methods, were calculated according to country-specific factors in "IEA Emission Factors," published by the International Energy Agency (IEA).

However, to reflect the actual situation in each region, emissions for some regions have been calculated using emissions factors announced by power companies or those disclosed by authorities in each country since FY2020. When calculated with the conventional method, the market-based Scope 2 emissions in FY2020 are 10.57 thousand t-CO₂e and the location-based Scope 2 emissions are 23.38 thousand t-CO₂e.

*3: Total emissions, including Scope 3, have been calculated from FY2018 onward. The quantity of total emissions is calculated with Scope 2 as the market-based method.

* Referenced guidelines, electricity and fuel CO₂ emissions factors, and heat conversion coefficient

- Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain"
- Ministry of the Environment, List of calculation methods and emission factors for calculating, reporting, and disclosure systems of Greenhouse Gas Emissions
- CO₂ emission factors for overseas power consumption: Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emission Factors 2020, which was issued by the International Energy Agency (IEA).

* Scope of calculations (Scope) of GHG emissions

- Scope1: Direct GHG emissions by businesses themselves (fuel combustion, industrial processes)
- Scope2: Indirect emissions due to use of electricity or heat/steam supplied by other companies
- Scope3: Other indirect emissions, excluding those of Scopes 1 and 2 (emissions of other companies related to business activities)

ESG Data

Item	GHG	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
GHG emissions, excluding those from energy sources 	PFCs	t-CO ₂ e	268.28	47.15	9.04	5.94	9.54
	SF ₆	t-CO ₂ e	671.23	291.84	146.49	170.72	304.27
	Total	t-CO ₂ e	939.51	338.99	155.53	176.65	313.80

* The FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

Water use

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Water use 	Japan	m ³	225,917	181,758	178,897	174,146	166,075
	Drinking water	m ³	52,735	53,596	59,601	58,073	58,722
	Ultra pure water (including in the total amount of drinking water)	m ³	1,282	1,191	1,639	1,754	1,540
	Industrial water	m ³	173,182	128,162	119,296	116,073	107,353
	Groundwater	m ³	0	0	0	0	0
	Overseas	m ³	61,859	66,987	101,429	86,692	84,196
	Total	m ³	287,776	248,746	280,325	260,838	250,271
Drainage amount 	Japan	m ³	53,787	54,324	59,927	62,001	58,389
	Drainage to sewage	m ³	15,745	15,993	17,611	16,894	17,258
	Drainage to public waters	m ³	38,042	38,331	42,316	45,107	41,131
	Overseas	m ³	61,859	66,987	101,429	86,692	84,196
	Total	m ³	115,501	121,311	160,960	148,693	142,585

* The FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

* Overseas drainage amount has been calculated with the same values as the water use.

* Advantest Philippines, Inc. and Advantest (Thailand) Ltd. have been excluded due to the small size of their offices, and calculations have been conducted once more retroactively.

ESG Data

Amount of waste emissions

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Amount of waste generated 	Japan	t	911	1,008	1,088	1,011	1,005
	Overseas	t	155	193	233	232	280
	Total	t	1,066	1,201	1,321	1,243	1,285
Amount of hazardous waste generated	Japan	t	8	6	10	12	11
	Overseas	t	0	0	0	0	18
	Total	t	8	6	10	12	29
Amount of waste recycled  *	Japan	t	557	633	694	618	634
	Overseas	t	107	118	138	158	202
	Total	t	664	751	832	775	837
Recycling rate 	Japan	%	61.1	62.8	63.8	61.1	63.1
	Overseas	%	69.0	61.1	59.3	67.9	72.3
	Total	%	62.2	62.5	63.0	62.4	65.1

* The FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

* Up to FY2019, the amount of waste generated and the amount of waste recycled in Japan were calculated excluding valuable materials. We have included the amount of valuable materials from FY2020, and have recalculated and restated the past figures including valuable materials.

* We found, through an inquiry to a waste disposal contractor, that some generated waste which had been allocated to the recycled quantity was not in fact recycled. We have recalculated and restated the past figures accordingly.

ESG Data

Number of cases that exceeded air and water quality standard values

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Emissions to the atmosphere	Japan	Cases	0	0	0	0	0
Emissions to bodies of water	Japan	Cases	0	0	0	0	0

Amount of air and water pollutants emitted

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Emissions to the atmosphere NOx	Japan	kg	683	909	701	322	392
Emissions to the atmosphere SOx	Japan	kg	431	663	450	224	302
Emissions to the atmosphere Soot and smoke	Japan	kg	8	9	8	10	26
Emissions to bodies of water (BOD)	Japan	kg	132	234	201	264	176
Emissions to bodies of water (COD)	Japan	kg	149	160	173	220	215

PRTR data

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
PRTR substances released	Japan	t	0.20	0.31	0.46	0.19	0.08
PRTR substances transferred	Japan	t	0.37	0.31	0.35	0.22	0.20

* Calculations include applicable substances whose annual use is less than the reported amount under the PRTR Law.

* The FY2020 figures marked with the symbol are assured by KPMG AZSA Sustainability Co., Ltd.

VOC data

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Amount of VOCs used	Japan	t	3.07	2.75	2.75	2.75	2.58

* Applicable targets for calculation are substances subject to VOC surveys at Four Electrical and Electronic Industry Associations.

* The FY2020 figure marked with the symbol is assured by KPMG AZSA Sustainability Co., Ltd.

Environmental complaints

Item	Boundary	Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Complaints from stakeholders	Advantest Group	Cases	0	0	0	0	0
Major violations of environmental laws and regulations		Cases	0	0	0	0	0

Participation in general environmental education

Item	Boundary	Target (Persons)	Participants (Persons)	Participation ratio (%)
Participation in general environmental education	Japan	2,681	2,681	100.0
	Overseas	2,728	2,682	98.3
	Total	5,409	5,363	99.1

ESG Data

Environmental accounting

Japan

Targets: Seven bases in Japan (including consolidated subsidiaries), data collection period: April 2020 to March 2021

Unit: Mil. yen

Cost classification		Main initiatives	Environmental capital investment	Cost
			FY2020	FY2020
Environmental conservation costs	1) Cost within the business area			
	(1) Pollution control costs	Installation/repair of pollution prevention facilities, environmental measurement, and maintenance/inspection	0	58
	(2) Global environmental conservation costs	Installation of energy-saving equipment/facilities	437	142
	(3) Resource recycling costs	Waste processing/recycling and construction of water supply facilities	7	31
	2) Upstream/downstream costs	Green procurement/purchasing and introduction/development of recycled packaging materials	0	4
	3) Costs of management activities	Operation of environmental management systems, biotopes, and disclosure of environmental information	7	171
	4) R&D costs	R&D of environmentally friendly products and manufacturing technologies	0	42,703
	5) Social activity costs	Greening activities in surrounding areas	0	5
	6) Environmental damage costs	Fines/lawsuits related to environmental remediation and conservation	0	0
	Total		451	43,114

Effect classification		Main initiatives	FY2020
Environmental conservation effects	1) Economic impact		Economic benefits
	(1) Reduction of energy usage fees	Reduction of energy usage fees by incorporating energy-saving equipment/facilities and energy-saving initiatives	2.61
	(2) Gain from recycling sales	Gain from the sale of valuables (metal scrap, etc.)	24.58
	(3) Decrease in treatment costs due to waste reduction	Decrease in waste liquid treatment costs due to wastewater processing facilities, etc.	1.57
	Total		28.76
	2) Quantitative effects		Amount reduced/effectively used
	(1) Reduction of electricity consumption	Reduced electricity consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities: 145 (MWh)
	(2) Reduction of energy consumption	Reduced energy consumption due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities: 145 (MWh)
	(3) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities and operational adjustments	Facilities: 68.15(t-CO ₂)
	(4) Effective utilization of resources	Amount of recycled metal scrap, office paper, and waste plastics, etc.	634(t)
	(5) Effective waste utilization ratio	Ratio of recycling versus total emissions of waste produced at business sites	63(%)

ESG Data

Overseas

Target: Nine overseas consolidated subsidiaries, data collection period: April 2020 to March 2021

Unit: Mil. yen

Cost classification		Main initiatives	Fees
			FY2020
Environmental conservation costs	Global environmental conservation costs	Installation of energy-saving equipment/facilities and improvement of facilities, etc.	4.82
	Resource recycling costs	Waste processing costs, etc.	13.81
	Costs of management activities	Operation of environmental management systems, fees for environment-related seminars, etc.	4.77
	Social activity costs	Greening activities in surrounding areas, donations to social organizations, etc.	30.38
	Total		53.78

Effect classification		Main initiatives	Economic benefits
			FY2020
Environmental conservation effects	1) Economic impact		
	(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	32.11
	(2) Gain from recycling sales	Gain from the sale of valuables	0.19
	2) Quantitative effects		
	(1) Reduction of electricity usage fees	Reduction of electricity usage fees by incorporating energy-saving equipment/facilities	2.14 (MWh)
	(2) Reduction of CO ₂ emissions	Reduced CO ₂ emissions due to the installation of energy-saving equipment/facilities	0.83 (t-CO ₂)

ESG Data

Social Data

Human Resources

Employees by region

(FY)

Scope	Item	Unit	2016	2017	2018	2019	2020
Japan	Male	Persons	2,124	2,153	2,152	2,146	2,213
	Female	Persons	378	400	416	466	490
	Total	Persons	2,502	2,553	2,568	2,612	2,703
	Ratio of Female	%	15.1	15.7	16.2	17.8	18.1
	Ratio by region	%	54.8	54.1	52.0	47.5	47.0
Asia	Male	Persons	650	710	771	836	905
	Female	Persons	197	217	236	273	290
	Total	Persons	847	927	1,007	1,109	1,195
	Ratio of Female	%	23.3	23.4	23.4	24.6	24.3
	Ratio by region	%	18.6	19.6	20.4	20.2	20.8
Europe	Male	Persons	574	580	613	676	720
	Female	Persons	113	125	128	143	153
	Total	Persons	687	705	741	819	873
	Ratio of Female	%	16.4	17.7	17.3	17.5	17.5
	Ratio by region	%	15.0	14.9	15.0	14.9	15.2
North America	Male	Persons	445	448	512	764	756
	Female	Persons	84	88	108	199	229
	Total	Persons	529	536	620	963	985
	Ratio of Female	%	15.9	16.4	17.4	20.7	23.2
	Ratio by region	%	11.6	11.4	12.6	17.5	17.1
Overseas Total	Male	Persons	1,669	1,738	1,896	2,276	2,381
	Female	Persons	394	430	472	615	672
	Total	Persons	2,063	2,168	2,368	2,891	3,053
	Ratio of Female	%	19.1	19.8	19.9	21.3	22.0
	Ratio by region	%	45.2	45.9	48.0	52.5	53.0

Scope	Item	Unit	2016	2017	2018	2019	2020
Total	Male	Persons	3,793	3,891	4,048	4,422	4,594
	Female	Persons	772	830	888	1,081	1,162
	Total	Persons	4,565	4,721	4,936	5,503	5,756
	Ratio of Female	%	16.9	17.6	18.0	19.6	20.2

* Boundary: Advantest Group

Number of employees by employment type

Scope	Item	Unit	2016	2017	2018	2019	2020
Regular Employees	Male	Persons	3,696	3,705	3,827	4,108	4,242
	Female	Persons	718	752	803	940	1,019
	Total	Persons	4,414	4,457	4,630	5,048	5,261
Non-regular Employees	Male	Persons	97	186	221	314	352
	Female	Persons	54	78	85	141	143
	Total	Persons	151	264	306	455	495
Total	Male	Persons	3,793	3,891	4,048	4,422	4,594
	Female	Persons	772	830	888	1,081	1,162
	Total	Persons	4,565	4,721	4,936	5,503	5,756

* Boundary: Advantest Group

Number of employees in management positions

Scope	Item	Unit	2016	2017	2018	2019	2020
Japan	Male	Persons	524	513	503	483	486
	Female	Persons	9	11	12	13	15
	Total	Persons	533	524	515	496	501
	Ratio of Female	%	1.7	2.1	2.3	2.6	3.0
	Ratio by region	%	47.0	46.0	44.5	42.1	41.4
	Of which, were hired locally	Persons	–	522	514	495	501
	Ratio of locally-hired employees appointed	%	–	99.6	99.8	99.8	100.0

ESG Data

Scope	Item	Unit	2016	2017	2018	2019	2020
Asia	Male	Persons	194	202	210	218	226
	Female	Persons	36	40	40	40	43
	Total	Persons	230	242	250	258	269
	Ratio of Female	%	15.7	16.5	16.0	15.5	16.0
	Ratio by region	%	20.3	21.3	21.6	21.9	22.2
	Of which, were hired locally	Persons	–	227	233	244	255
	Ratio of locally-hired employees appointed	%	–	93.8	93.2	94.6	94.8
Europe	Male	Persons	166	163	170	183	200
	Female	Persons	13	14	16	17	19
	Total	Persons	179	177	186	200	219
	Ratio of Female	%	7.3	7.9	8.6	8.5	8.7
	Ratio by region	%	15.8	15.6	16.1	17.0	18.1
	Of which, were hired locally	Persons	–	174	184	194	215
	Ratio of locally-hired employees appointed	%	–	98.3	98.9	97.0	98.2
North America	Male	Persons	177	176	187	204	198
	Female	Persons	16	19	19	21	24
	Total	Persons	193	195	206	225	222
	Ratio of Female	%	8.3	9.7	9.2	9.3	10.8
	Ratio by region	%	17.0	17.1	17.8	19.1	18.3
	Of which, were hired locally	Persons	–	175	197	217	217
	Ratio of locally-hired employees appointed	%	–	89.7	95.6	96.4	97.7

Scope	Item	Unit	2016	2017	2018	2019	2020
Overseas Total	Male	Persons	537	541	567	605	624
	Female	Persons	65	73	75	78	86
	Total	Persons	602	614	642	683	710
	Ratio of Female	%	10.8	11.9	11.7	11.4	12.1
	Ratio by region	%	53.0	54.0	55.5	57.9	58.6
	Of which, were hired locally	Persons	–	576	614	655	687
	Ratio of locally-hired employees appointed	%	–	93.8	95.6	95.9	96.8
Total	Male	Persons	1,061	1,054	1,070	1,088	1,110
	Female	Persons	74	84	87	91	101
	Total 	Persons	1,135	1,138	1,157	1,179	1,211
	Ratio of Female 	%	6.5	7.4	7.5	7.7	8.3
	Of which, were hired locally	Persons	–	1,098	1,128	1,150	1,188
	Ratio of locally-hired employees appointed	%	–	96.5	97.5	97.5	98.1

* Boundary: Advantest Group

* Definition of "management position": Level 7 or higher in a 10-level status system. Of the 10 levels, job levels 1 to 6 are general employees, while levels 7 to 10 are designated as management positions.

* FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

ESG Data

Number of employees by age group

Scope	Item	Unit	2016	2017	2018	2019	2020
Age - 29	Male	Persons	268	283	329	380	443
	Female	Persons	110	116	118	156	156
	Total	Persons	378	399	447	536	599
Age 30 - 39	Male	Persons	740	693	692	752	793
	Female	Persons	178	179	197	225	258
	Total	Persons	918	872	889	977	1,051
Age 40 - 49	Male	Persons	1,554	1,499	1,411	1,394	1,347
	Female	Persons	286	293	297	318	334
	Total	Persons	1,840	1,792	1,708	1,712	1,681
Age 50 - 59	Male	Persons	1,018	1,099	1,236	1,355	1,415
	Female	Persons	126	142	163	208	228
	Total	Persons	1,144	1,241	1,399	1,563	1,643
Age 60 -	Male	Persons	116	131	159	227	244
	Female	Persons	18	22	28	33	43
	Total	Persons	134	153	187	260	287
Total	Male	Persons	3,696	3,705	3,827	4,108	4,242
	Female	Persons	718	752	803	940	1,019
	Total	Persons	4,414	4,457	4,630	5,048	5,261

* Boundary: Advantest Group (regular employees only)

Number of new hires

Scope	Item	Unit	2016	2017	2018	2019	2020
Japan	Male	Persons	7	8	20	43	41
	Female	Persons	0	0	4	14	15
	Total	Persons	7	8	24	57	56
	Ratio of Female	%	0.0	0.0	16.7	24.6	26.8
	Ratio by region	%	8.0	4.1	7.2	9.7	14.7

Scope	Item	Unit	2016	2017	2018	2019	2020
Asia	Male	Persons	34	93	102	97	110
	Female	Persons	10	20	24	47	30
	Total	Persons	44	113	126	144	140
	Ratio of Female	%	22.7	17.7	19.0	32.6	21.4
	Ratio by region	%	50.0	57.7	37.6	24.5	36.7
Europe	Male	Persons	10	26	54	62	58
	Female	Persons	5	14	10	18	17
	Total	Persons	15	40	64	80	75
	Ratio of Female	%	33.3	35.0	15.6	22.5	22.7
	Ratio by region	%	17.0	20.4	19.1	13.6	19.7
North America	Male	Persons	15	29	95	223	77
	Female	Persons	7	6	26	84	33
	Total	Persons	22	35	121	307	110
	Ratio of Female	%	31.8	17.1	21.5	27.4	30.0
	Ratio by region	%	25.0	17.9	36.1	52.2	28.9
Overseas total	Male	Persons	59	148	251	382	245
	Female	Persons	22	40	60	149	80
	Total	Persons	81	188	311	531	325
	Ratio of Female	%	27.2	21.3	19.3	28.1	24.6
	Ratio by region	%	92.0	95.9	92.8	90.3	85.3
Total	Male	Persons	66	156	271	425	286
	Female	Persons	22	40	64	163	95
	Total	Persons	88	196	335	588	381
	Ratio of Female	%	25.0	20.4	19.1	27.7	24.9

* Boundary: Advantest Group (regular employees only)

ESG Data

Number of employee turnover

Scope	Item	Unit	2016	2017	2018	2019	2020
Japan	Male	Persons	54	32	28	32	13
	Female	Persons	9	8	5	12	2
	Total	Persons	63	40	33	44	15
	Ratio of Female	%	14.3	20.0	15.2	27.3	13.3
	Ratio by region	%	46.0	31.7	23.6	30.3	8.6
Asia	Male	Persons	31	30	37	34	37
	Female	Persons	12	4	4	11	16
	Total	Persons	43	34	41	45	53
	Ratio of Female	%	27.9	11.8	9.8	24.4	30.2
	Ratio by region	%	31.4	27.0	29.3	31.0	30.5
Europe	Male	Persons	5	24	22	18	9
	Female	Persons	3	1	7	1	4
	Total	Persons	8	25	29	19	13
	Ratio of Female	%	37.5	4.0	24.1	5.3	30.8
	Ratio by region	%	5.8	19.8	20.7	13.1	7.5
North America	Male	Persons	18	21	32	29	84
	Female	Persons	5	6	5	8	9
	Total	Persons	23	27	37	37	93
	Ratio of Female	%	21.7	22.2	13.5	21.6	9.7
	Ratio by region	%	16.8	21.4	26.4	25.5	53.4
Overseas total	Male	Persons	54	75	91	81	130
	Female	Persons	20	11	16	20	29
	Total	Persons	74	86	107	101	159
	Ratio of Female	%	27.0	12.8	15.0	19.8	18.2
	Ratio by region	%	54.0	68.3	76.4	69.7	91.4

Scope	Item	Unit	2016	2017	2018	2019	2020
Total	Male	Persons	108	107	119	113	143
	Female	Persons	29	19	21	32	31
	Total 	Persons	137	126	140	145	174
	Ratio of Female	%	21.2	15.1	15.0	22.1	17.8
Turnover ratio	Male	%	2.87	2.90	3.21	2.95	3.48
	Female	%	3.98	2.65	2.79	3.99	3.30
	Total	%	3.05	2.85	3.14	3.13	3.45

* Boundary: Advantest Group (regular employees only)

* FY2020 figure marked with the  symbol is assured by KPMG AZSA Sustainability Co., Ltd.

* From December 2019 onward, the method of including employees who leave at the end of the month within that month's tally was changed to include them in the count for the following month.

ESG Data

Diversity, inclusion, and other initiatives

	Scope		Unit	2016	2017	2018	2019	2020
Number of re-employment system users ^{*1}	Advantest Corporation (standalone)		Persons	16	30	33	54	60
Employment rate of people with disabilities 	Advantest Corporation, Advantest Green, Advanfacilities		%	2.39	2.49	2.48	2.66	2.79
(Legal ratio of employment of people with disabilities)			%	2.00	2.00	2.20	2.20	2.20
(Average ratio of employment of people with disabilities in the private sector nationwide)			%	1.92	1.97	2.05	2.11	2.15
Number of employees taking childcare leave	Advantest Corporation (standalone)	Male	Persons	0	1	1	4	2
		Female	Persons	37	34	31	25	27
		Total	Persons	37	35	32	29	29
Number of employees who applied for shortened working hours for childcare	Advantest Corporation (standalone)	Male	Persons	0	0	1	2	3
		Female	Persons	59	61	60	71	76
		Total	Persons	59	61	61	73	79
Number of employees taking nursing/care leave	Advantest Corporation (standalone)	Nursing leave	Persons	55	37	54	38	40
		Care leave	Persons	8	11	21	4	3
		Total	Persons	63	48	75	42	43
Ratio of employees taking paid leave 	Advantest Corporation (standalone)		%	71.0	71.3	70.7	68.7	68.7
Number of employees taking accumulated leave	Advantest Corporation (standalone)		Persons	107	95	81	87	124
Average amount of overtime per individual ^{*2} 	Advantest Group (Japan/China/South Korea)		Hours	9.5	13.0	15.0	14.3	16.9
Ratio of occupational accidents ^{*3} 	Advantest Corporation (standalone)		Frequency rate	0.0	0.4	0.4	0.2	0.0

* FY2020 figures marked with the  symbol are assured by KPMG AZSA Sustainability Co., Ltd.

*1: The number of individuals who have newly started to use the re-employment system. (Those who have continued to use the system from the previous year were not included.)

*2: Overtime hours for management positions with no subordinates are included for South Korea only.

*3: The number of fatalities and injuries due to occupational accidents per one million working hours. The data includes temporary employees from FY2019 onward.

ESG Data

Status of education and training implementation

Training category	Target	Participants (Persons)	Training hours (hours)
Business training (human resource management, etc.)	Management/ General employees	1,157	6,761
Technical training (technology)	Management/ General employees	577	1,955
E-learning (human resource management, etc.)	Management/ General employees	159	1,300
New recruit training (per level)	Management/ General employees	33	14,874
Languages/TOEIC (global)	Management/ General employees	596	5,533
External seminars (business skills, etc.)	Management/ General employees	91	999
Total		2,613	✓ 31,422

* FY2020 figure marked with the ✓ symbol is assured by KPMG AZSA Sustainability Co., Ltd.
* Boundary: Advantest Corporation (standalone)

Status of safety and health education implementation

Educational category	Target	Number of participants (total No. of individuals)	Hours of education (hours)
General education	Management/ General employees	1,777	1,008
Technical education	Management/ General employees	1,050	2,863

* Boundary: Advantest Group

Governance Data

Governance System

List of Governance Systems (As of June 23, 2021)	
Structure	Company with an Audit and Supervisory Committee
Number of Directors	11 (male : 10 / female : 1)
Number of Outside Directors	5 (45.5%)
Number of Non-Japanese Directors	2 (18.2%)
Term of Office for Directors Who Are Not Audit and Supervisory Committee Members	1 year
Number of Directors Who Are Audit and Supervisory Committee Members	3
Number of Outside Directors	2
Term of Office for Directors Who Are Audit and Supervisory Committee Members	2 years
Nomination and Compensation Committee	In place
Nomination and Compensation Committee Members	3 Directors (Two of which are outside Directors)
Nomination and Compensation Committee Chair	Outside Director
Performance-based Compensation System	In Place
Executive Officer System	In Place
Executive Officers	24
Of Which, Number of Non-Japanese Executive Officers	10

ESG Data

Executive Compensation

Officer Classification	Total Amount of Compensation, etc. (Mil. yen)	Total Amount of Compensation, etc. by Type (Mil. yen)					Number of Eligible Officers
		Monetary Compensation			Non-monetary Compensation		
		Fixed Compensation	Performance-based Compensation, etc.	Other Monetary Compensation	Stock Options	Performance-based Stock Compensation	
Directors (Excluding Audit and Supervisory Committee Members) (Excluding Outside Directors)	576	184	159	1	91	141	6
Directors (Audit and Supervisory Committee Members) (Excluding Outside Directors)	42	42	–	0	–	–	1
Outside Directors	62	61	–	1	–	–	6

- 1.The amount of compensation, etc. listed above includes one Director (not an Audit and Supervisory Committee member) and another Director (an Audit and Supervisory Committee member) who retired on June 25, 2020.
- 2.For non-monetary compensation for our company's Directors (excluding Outside Directors and Audit and Supervisory Committee members), stock acquisition rights have been granted as performance-based stock compensation and stock options. Performance-based stock compensation numbers are the amount recorded as expenses under Japanese standards for the applicable business year.
- 3.The "Other monetary compensation" in the above chart refers to "congratulatory money" for Directors that was given uniformly to all company officers and employees, including Directors, to reward the achievement of the highest single-year performance in terms of performance indicators, such as sales and net income, for the applicable fiscal year.

ESG Data

Approach to Data Aggregation and Third-Party Verification

We have defined our approach to data aggregation and have subjected our obtained data to third-party verification in order to strengthen the reliability of the data we disclose.

Approach to and Methods for Environmental Data Collection

| Targets and period of environmental data collection

Period	April 1, 2020, to March 31, 2021
Targets	Advantest Corporation and its major domestic/overseas consolidated subsidiaries

| Approach and methods for GHG-related data collection

Quantity of GHG emissions from business facilities

Calculations are based on usage of electricity, heat, and fuel at business facilities, and usage of GHGs (for manufacturing processes, equipment, etc.)

CO₂ emissions (from energy) accompanying the use of energy

Calculations are performed by multiplying the usage amount of electricity, heat, and fuel (including fuel for vehicles, etc.) at each business facility against the CO₂ emission factors.

When using renewable energy (including certificates), the CO₂ emission factors is set to zero.

GHG emissions from PFCs, etc. (with a non-energy origin)

Calculations are performed by multiplying the GHG emissions at each business facility against global warming potential values to convert into quantities of CO₂.

Referenced guidelines as well as energy and fuel CO₂ emission factors and heat conversion coefficient

Japan	Ministry of the Environment, "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain" Ministry of the Environment, "Amount of Greenhouse Gas Emissions—List of Calculation Methods and Emission Coefficients within the Calculation/Reporting/ Disclosure System"
Overseas	Based on the emission factors announced by each electric company and government authorities of each country as well as those by country announced in IEA Emissions Factors 2020, which was issued by the International Energy Agency (IEA).

Quantity of CO₂ emissions from purchased products and services

« Scope 3, Category 1 »

The quantity of CO₂ emissions from products and services purchased by Advantest is calculated by multiplying the corresponding primary unit in the "Global Embodied Energy and Emission Intensity based on the Standard Purchaser Price" (issued by the National Institute for Environmental Studies) per purchased item.

For items for which we are unable to separate transportation costs from the purchase prices, the quantity of emissions including transportation is not tallied under Category4 "CO₂ emissions during transport from primary suppliers to our company," but such emissions are included in Category1 emissions for calculation.

Quantity of CO₂ emissions during product usage « Scope3, Category 11 »

The amount of CO₂ emissions during product usage is calculated by multiplying the emissions coefficients from the World category in "IEA Emission Factors 2020" against the lifetime electricity consumption of products on the market this fiscal year. The amount of CO₂ emissions during product use is calculated according to the following formula.

Numbers of units sold × Electricity consumption at operation × Annual hours of operation × Years used × CO₂ emissions coefficient

Among the semiconductor testing devices sold by the Advantest Group, CO₂ emissions calculations are for the SoC test systems and memory test systems.

The lifetime electricity consumption quantity assumes each product is used for 10 years, and calculations are performed by multiplying the amount of electricity consumed based on the product specification calculations for the target system against the number of units sold for the relevant product.

ESG Data

Scope3 calculation summary

	Category classification	Calculation summary
Category1	Purchased goods and services	The quantity of emissions of some datacenter usage, along with emissions from the resource collection stage up to the manufacturing stage for raw materials/components sold by the Advantest Group and its purchased items
Category2	Capital goods	Emissions from manufacturing facilities, etc. in which the Advantest Group has invested
Category3	Fuel- and energy-related activities (not included in scope 1 or scope 2)	Emissions accompanying the procurement of fuel and energy used at Advantest Group business facilities
Category4	Upstream transportation and distribution	Emissions accompanying the transport of procured components and purchased products by the Advantest Group, and those accompanying the storage of such products
Category5	Waste generated in operations	Emissions accompanying the treatment of waste generated at business facilities of the Advantest Group
Category6	Business travel	Emissions due to business trips made by Advantest Group employees
Category7	Employee commuting	Emissions due to commuting by Advantest Group employees
Category8	Upstream leased assets	Emissions accompanying leased assets of the Advantest Group * Excludes those calculated under Scope 2
Category9	Downstream transportation and distribution	Emissions accompanying the transport of products sold by the Advantest Group
Category10	Processing of sold products	(N/A)
Category11	Use of sold products	Emissions accompanying electricity consumption due to use of Advantest Group products in customer businesses
Category12	End-of-life treatment of sold products	Emissions accompanying the disposal of products sold by the Advantest Group
Category13	Downstream leased assets	(N/A)
Category14	Franchises	(N/A)
Category15	Investments	(N/A)

Approach to and methods for data collection related to resources

Quantity of waste generated

The total weight of industrial waste and general waste generated from business facilities.

The amount of waste generated in Japan was calculated by weight (excluding valuable materials) until FY2019. However, from FY2020, past data for disclosure has been recalculated and incorporated so that the weight includes valuable materials.

Quantity of water used and discharged

Quantity of water used	The quantity of water used at business facilities (drinking water, industrial water, and groundwater). The purchased quantity is substituted for drinking water and industrial water.
Quantity of water discharged	The quantity of water generated at business facilities discharged to sewage and public waters. For business facilities for which the amount of water discharged cannot be readily determined, the amount of water used is considered to be the amount of water discharged.

Approach to and methods for data collection for other environmental data

Management of chemical substances

To ensure safe management of and compliance with laws and regulations on chemical substances, we implement registration, safety reviews, and control per bottle/package unit for chemical substances used in-house. Furthermore, SDSs, which are the foundation of chemical substance handling, are always available for viewing.

Quantity of chemical substances handled	The quantity of chemical substances purchased and used at each business facility is monitored and calculated.
Quantity of chemical substances emissions/transfers	The quantity of chemical substances emitted/transferred due to operations is calculated by multiplying the handled amount by coefficients.

Quantity of water pollutant discharge (BOD, COD)

The quantity is calculated by multiplying the discharged water concentration by the discharged quantity. This applies to business facilities with legal or other requirements (such as contracts).

ESG Data

Quantity of air pollutant emissions (NOx, SOx)

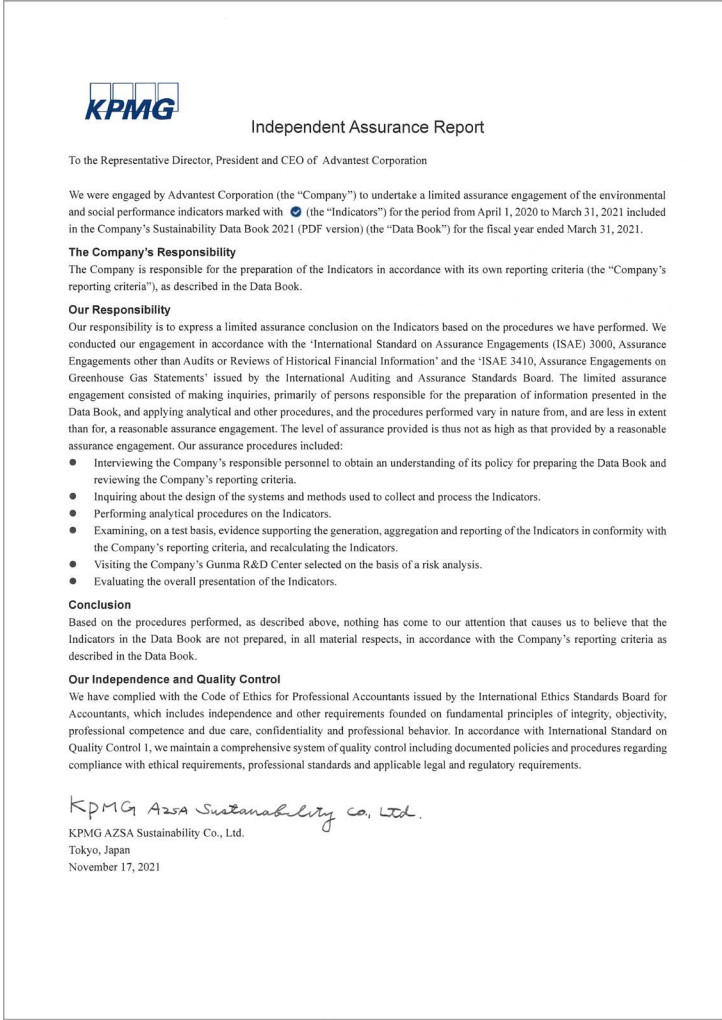
The quantity is calculated by multiplying the exhaust concentration by the exhaust quantity. This applies to business facilities with legal or other requirements (such as contracts).

Third-Party Assurance

Third-Party Assurance

To further strengthen the reliability of our social and environmental performance indicators (human resource, labor and environmental data)*, the integrity of our data has been assured by KPMG AZSA Sustainability Co., Ltd. since FY2018.

* Figures subject to such third-party assurance are marked with the  symbol.



Advantest Sustainability Data Book 2021 Independent Assurance Report

ESG Data

| Target Indicators

Environmental performance indicators	▷ Energy consumption (total in MWh) ▷ Renewable power purchased ▷ Amount of tradable green certificate purchases ▷ CO₂ emissions (Scope 1, Scope 2, Scope 3 [Category1 and 11]) ▷ PFC and SF₆ emissions ▷ PRTR substances released /transferred ▷ Amount of VOCs used ▷ Waste Generated ▷ Amount of waste recycled ▷ Recycling rate ▷ Final waste disposal amount ▷ Water usage/Drainage amount ▷ Ultrapure water usage
Social performance indicators	▷ Number of managers by region ▷ Proportion of female employees in management roles ▷ Number of turnover employees ▷ Employment rate of people with disabilities ▷ Average overtime hours worked per person ▷ Paid leave taken ▷ Total lesson time (hours) ▷ Occupational accident rate in Japan (frequency rate)

 [Independent Assurance Report \(PDF 1,121KB\)](#)

Guideline Comparison Table

Guideline Comparison Table

Guideline Comparison Table

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards Core option.

102: General Disclosures

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 102: General Disclosure 2016				
1. Organizational profile				
102-1	Name of the organization			About Advantest Group
102-2	Activities, brands, products, and services			About Advantest Group Products Global Services
102-3	Location of headquarters			About Advantest Group Offices / Subsidiaries
102-4	Location of operations			About Advantest Group Offices / Subsidiaries
102-5	Ownership and legal form			About Advantest Group
102-6	Markets served			About Advantest Group Investors
102-7	Scale of the organization			About Advantest Group Employment and Diversity Investors
102-8	Information on employees and other workers	6.4 Labour practices		About Advantest Group Employment and Diversity
		6.4.3 Employment and employment relationships		
102-9	Supply chain			Procurement Policy Supply Chain Management
102-10	Significant changes to the organization and its supply chain			Investors
102-11	Precautionary Principle or approach	6.2 Organizational governance		 Integrated Annual Report: Sustainability – Advantest's Sustainability Vision, ESG Action Plan, Risk Management (PDF 4.7MB) Risk Management System

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-12	External initiatives	6.2 Organizational governance		Involvement with External Initiatives
102-13	Membership of associations	6.2 Organizational governance		Involvement with External Initiatives Compliance
2. Strategy				
102-14	Statement from a senior decision-maker	6.2 Organizational governance		 Integrated Annual Report: Strategy – CEO Message (PDF 3.4MB) Message from Advantest's Director of Sustainable Management
102-15	Key impacts, risks, and opportunities	6.2 Organizational governance		Message from Advantest's Director of Sustainable Management  Integrated Annual Report: Sustainability - Risk Management, Efforts Supporting the Recommendations of TCFD (PDF 4.7MB) Risk Management System TCFD-based Climate Change-related Information Disclosure Business Continuity Initiatives Annual / Quarterly Financial Report
3. Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior			The Advantest Way Respecting and Protecting Human Rights
102-17	Mechanisms for advice and concerns about ethics			Compliance Supply Chain Management The Advantest Way
4. Governance				
102-18	Governance structure	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision, Corporate Governance (PDF 4.7MB) Corporate Governance
102-19	Delegating authority			

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-20	Executive-level responsibility for economic, environmental, and social topics			 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision, ESG Action Plan 2021 (PDF 4.7MB) Materialities and the ESG Action Plan
102-21	Consulting stakeholders on economic, environmental, and social topics	6.2 Organizational governance		Stakeholder Engagement
102-22	Composition of the highest governance body and its committees	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB)
102-23	Chair of the highest governance body	6.2 Organizational governance		 Corporate Governance Report (PDF 379KB)
102-24	Nominating and selecting the highest governance body	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB)
102-25	Conflicts of interest	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB)
102-26	Role of highest governance body in setting purpose, values, and strategies			 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision, Corporate Governance (PDF 4.7MB)
102-27	Collective knowledge of the highest governance body			 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision (PDF 4.7MB)
102-28	Evaluating the highest governance body's performance	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision, Corporate Governance (PDF 4.7MB)
102-29	Identifying and managing economic, environmental, and social impacts	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Risk Management, Corporate Governance (PDF 4.7MB)
102-30	Effectiveness of risk management processes			 Integrated Annual Report: Sustainability - Risk Management (PDF 4.7MB)
102-31	Review of economic, environmental, and social topics	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision (PDF 4.7MB) ESG Initiatives Basic Policy
102-32	Highest governance body's role in sustainability reporting			 Integrated Annual Report: Sustainability - Advantest's Sustainability Vision (PDF 4.7MB)

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-33	Communicating critical concerns	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB) Compliance
102-34	Nature and total number of critical concerns			
102-35	Remuneration policies	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB) Annual / Quarterly Financial Report
102-36	Process for determining remuneration			 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB) Annual / Quarterly Financial Report
102-37	Stakeholders' involvement in remuneration	6.2 Organizational governance		 Integrated Annual Report: Sustainability - Corporate Governance (PDF 4.7MB) Annual / Quarterly Financial Report
102-38	Annual total compensation ratio			
102-39	Percentage increase in annual total compensation ratio			
5. Stakeholder engagement				
102-40	Stakeholder engagement list	6.2 Organizational governance		Stakeholder Engagement
102-41	Collective bargaining agreements	6.3.10 Human rights issue 8: Fundamental principles and rights at work	1 Support and respect for human rights	Respecting and Protecting Human Rights Annual / Quarterly Financial Report
		6.4 Labour practices	3 Freedom of association and recognition of the right to collective bargaining	
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.4.5 Labour practices issue 3: Social dialogue		
102-42	Identifying and selecting stakeholders	6.2 Organizational governance		Stakeholder Engagement

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-43	Approach to stakeholder engagement	6.2 Organizational governance	1 Support and respect for human rights	Respecting and Protecting Human Rights Stakeholder Engagement Supporting Product Safety and Quality
		6.7 Consumer issues	2 Not complicit in human rights abuses	
		6.7.4 Consumer issue 2: Protecting consumers' health and safety	3 Freedom of association and recognition of the right to collective bargaining	
		6.7.5 Consumer issue 3: Sustainable consumption	4 Elimination of forced and compulsory labour	
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution	5 Effective abolition of child labour	
		6.7.8 Consumer issue 6: Access to essential services	6 Elimination of discrimination in respect of employment and occupation	
		6.7.9 Consumer issue 7: Education and awareness	7 Preparatory approach to environmental challenges	
			8 Initiatives to promote greater environmental responsibility	
			9 Development and diffusion of environmentally friendly technologies	
			10 Working against corruption in all its forms, including extortion and bribery	
102-44	Key topics and concerns raised	6.2 Organizational governance		Stakeholder Engagement
6. Reporting practice				
102-45	Entities included in the consolidated financial statements	6.2 Organizational governance		Annual / Quarterly Financial Report
102-46	Defining report content and topic boundaries	6.2 Organizational governance		Editorial Note  Integrated Annual Report: Overview - Editorial Note (PDF 2.9MB)
102-47	List of material topics			 Integrated Annual Report: Sustainability – Advantest's Sustainability Vision (PDF 4.7MB)
102-48	Restatements of information			
102-49	Changes in reporting			
102-50	Reporting period			Editorial Note
102-51	Date of most recent report			Editorial Note
102-52	Reporting cycle			Editorial Note
102-53	Contact point for questions regarding the report			Editorial Note

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
102-54	Claims of reporting in accordance with the GRI Standards			Guideline Comparison Table
102-55	GRI content index			Guideline Comparison Table
102-56	External assurance	7.5.3 Types of communication on social responsibility		Third-Party Assurance
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its boundary			 Integrated Annual Report: Sustainability – Advantest's Sustainability Vision (PDF 4.7MB)
103-2	Management approach and its elements			 Integrated Annual Report: Sustainability – Risk Management, Environmental Initiatives, Efforts to Address Social Issues, Corporate Governance (PDF 4.7MB)
103-3	Evaluation of the management approach			 Integrated Annual Report: Sustainability – Advantest's Sustainability Vision (PDF 4.7MB) ESG Initiatives Basic Policy

Guideline Comparison Table

200: Economic

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	6.8 Community involvement and development		About Advantest Group Annual / Quarterly Financial Report
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		
201-2	Financial implications and other risks and opportunities due to climate change	6.5.5 Environmental issue 3: Climate change mitigation and adaption	7 Preparatory approach to environmental challenges	 Integrated Annual Report: Sustainability - Risk Management (PDF 4.7MB) TCFD-based Climate Change-related Information Disclosure CO₂ Emissions in the Supply Chain Environmental Action Plan Green Products Environmental Data Annual / Quarterly Financial Report
			8 Initiatives to promote greater environmental responsibility	
			9 Development and diffusion of environmentally friendly technologies	
201-3	Defined benefit plan obligations and other retirement plans			Human Resources Development, Fair Evaluation and Treatment
201-4	Financial assistance received from the government			
GRI 202: Market Presence				
202-1	Ratio of standard entry level wage by gender compared to the local minimum wage	6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.8 Community involvement and development		
202-2	Proportion of senior management hired from the local community	6.8 Community involvement and development		Employment and Diversity
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 203: Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	
		6.8 Community involvement and development	9 Development and diffusion of environmentally friendly technologies	
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.4 Community involvement and development issue 2: Education and culture		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		
203-2	Significant indirect economic impacts	6.3.9 Human rights issue 7: Economic, social and cultural rights		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.7.8 Consumer issue 6: Access to essential services		
		6.8 Community involvement and development		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.6 Community involvement and development issue 4: Technology development and access		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
		6.8.9 Community involvement and development issue 7: Social investment		

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
204: Procurement Practices				
204-1	204: Proportion of spending on local suppliers	6.6 Fair operation practices		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.8 Community involvement and development		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
205: Anti-corruption				
205-1	Operations assessed for risks related to corruption	6.6 Fair operation practices	10 Working against corruption in all its forms, including extortion and bribery	Supply Chain Management
		6.6.3 Fair operating practices issue 1: Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	6.6 Fair operation practices	10 Working against corruption in all its forms, including extortion and bribery	Compliance
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
205-3	Confirmed incidents of corruption and actions taken	6.6 Fair operation practices		Compliance
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
206: Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.6 Fair operation practices		Compliance
		6.6.5 Fair operating practices issue 3: Fair competition		
		6.6.7 Fair operating practices issue 5: Respect for property rights		

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
207: Tax				
207-1	Description of the approach to tax			Compliance
207-2	Description of the tax governance and control framework			Compliance
207-3	Stakeholder engagement and management of concerns related to tax			Compliance
207-4	All tax jurisdictions where the organization is located for tax purposes			

Guideline Comparison Table

300: Environmental

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	6.5.4 Environmental issue 2: Sustainable resource use		Environmental Data
301-2	Recycled input materials used	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources
301-3	Reclaimed products and their packaging materials	6.5.4 Environmental issue 2: Sustainable resource use		Product Recycling
GRI 302: Energy				
302-1	Energy consumption within the organization	6.5.4 Environmental issue 2: Sustainable resource use		CO₂ Emissions in the Supply Chain Environmental Data
302-2	Energy consumption outside of the organization	6.5.4 Environmental issue 2: Sustainable resource use		CO₂ Emissions in the Supply Chain Environmental Data
302-3	Energy intensity	6.5.4 Environmental issue 2: Sustainable resource use		
302-4	Reduction of energy consumption	6.5.4 Environmental issue 2: Sustainable resource use		Environmental Action Plan Environmental Data CO₂ Emissions in the Supply Chain Approach to and Methods for Environmental Data Collection
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
302-5	Reductions in energy requirements of products and services	6.5.4 Environmental issue 2: Sustainable resource use	9 Development and diffusion of environmentally friendly technologies	Approach to Climate Change Environmental Action Plan Green Products TCFD-based Climate Change-related Information Disclosure
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-2	Management of water discharge related impacts	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-3	Water withdrawal	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
303-4	Water discharge	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
303-5	Water consumption	6.5.4 Environmental issue 2: Sustainable resource use		Recycling Resources Environmental Data
GRI 304: Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		Biotope
304-2	Significant impacts of activities, products, and services on biodiversity	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
304-3	Habitats protected or restored	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		Biotope
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Environmental Data CO₂ Emissions in the Supply Chain
305-2	Indirect (Scope 2) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Environmental Data CO₂ Emissions in the Supply Chain
305-3	Other indirect (Scope 3) GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Environmental Data CO₂ Emissions in the Supply Chain
305-4	GHG emissions intensity	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Environmental Data
305-5	Reduction of GHG emissions	6.5.5 Environmental issue 3: Climate change mitigation and adaption		Approach to Climate Change Environmental Data
305-6	Emissions of ozone-depleting substances (ODS)	6.5.3 Environmental issue 1: Prevention of pollution		
		6.5.5 Environmental issue 3: Climate change mitigation and adaption		
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.5.3 Environmental issue 1: Prevention of pollution		Environmental Data

Guideline Comparison Table

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
GRI 306: Effluents and Waste				
306-1	Water discharge by quality and destination	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources Environmental Data
		6.5.4 Environmental issue 2: Sustainable resource use		
306-2	Waste by type and disposal method	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources Environmental Data
306-3	Significant spills	6.5.3 Environmental issue 1: Prevention of pollution		Management of Legal Compliance Regarding Environmental Impacts
306-4	Transport of hazardous waste	6.5.3 Environmental issue 1: Prevention of pollution		Environmental Data
306-5	Water bodies affected by water discharge and/or runoff	6.5.3 Environmental issue 1: Prevention of pollution		Recycling Resources
		6.5.4 Environmental issue 2: Sustainable resource use		
		6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
GRI 307: Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	4.6 Respect for the rule of law		Management of Legal Compliance Regarding Environmental Impacts Environmental Data
GRI 308: Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	6.3.5 Environmental issue 1: Prevention of pollution		Supply Chain Management
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		7.3.1 Determining relevance and significance of core subjects and issues to an organization		
308-2	Negative environmental impacts in the supply chain and actions taken	6.3.5 Environmental issue 1: Prevention of pollution		Supply Chain Management
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		7.3.1 Determining relevance and significance of core subjects and issues to an organization		

Guideline Comparison Table

400: Social

Standard	Disclosure Item	ISO26000	UNGC 10 Principles	Page to Refer
401: Employment				
401-1	New employee hires and employee turnover	6.4 Labour practices		Employment and Diversity
		6.4.3 Labour practices issue 1: Employment and employment relationships		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Labour practices		Supporting Diverse Working Styles Human Resources Development, Fair Evaluation and Treatment
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
401-3	Parental leave	6.4 Labour practices	6 Elimination of discrimination in respect of employment and occupation	Supporting Diverse Working Styles
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		
402: Labor/Management Relations				
402-1	Minimum notice periods regarding operational changes	6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
		6.4.5 Labour practices issue 3: Social dialogue		

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403-1	Occupational health and safety management system	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-2	Hazard identification, risk assessment, and incident investigation	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-3	Occupational health services	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
		6.8 Community involvement and development		
		6.8.3 Community involvement and development issue 1: Community involvement		
		6.8.4 Community involvement and development issue 2: Education and culture		
		6.8.8 Community involvement and development issue 6: Health		
403-4	Occupational health and safety management system	6.4 Labour practices		Respecting and Protecting Human Rights Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-5	Hazard identification, risk assessment, and incident investigation	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-6	Occupational health services	6.4 Labour practices		Promotion of Occupational Safety and Health Promotion of Health and Productivity Management  Integrated Annual Report: Sustainability - Occupational Health and Safety, Promotion of Health and Productivity Management (PDF 4.7MB)
		6.4.6 Labour practices issue 4: Health and safety at work		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.4 Labour practices		Supply Chain Management Supporting Product Safety and Quality
		6.4.6 Labour practices issue 4: Health and safety at work		

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403-8	Workers covered by an occupational health and safety management system	6.4 Labour practices		About Advantest Group Editorial Note Respecting and Protecting Human Rights Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-9	Work-related ill health	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
403-10	Work-related ill health	6.4 Labour practices		Promotion of Occupational Safety and Health
		6.4.6 Labour practices issue 4: Health and safety at work		
404: Training and Education				
404-1	Average hours of training per year per employee	6.4 Labour practices		Human Resources Development, Fair Evaluation and Treatment
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
404-2	Programs for upgrading employee skills and transition assistance programs	6.4 Labour practices	6 Elimination of discrimination in respect of employment and occupation	Supporting Diverse Working Styles Human Resources Development, Fair Evaluation and Treatment
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
404-3	Percentage of employees receiving regular performance and career development reviews	6.4 Labour practices		Human Resources Development, Fair Evaluation and Treatment
		6.4.7 Labour practices issue 5: Human development and training in the workplace		
405: Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	6.3.7 Human rights issue 5: Discrimination and vulnerable groups	1 Support and respect for human rights	Employment and Diversity Respecting and Protecting Human Rights  Integrated Annual Report: Sustainability - Occupational Health and Safety, Promotion of Health and Productivity Management, Efforts to Address Social Issues - Respecting and Protecting Human Rights (PDF 4.7MB)
		6.3.10 Human rights issue 8: Fundamental principles and rights at work	6 Elimination of discrimination in respect of employment and occupation	
		6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		

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		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4 Labour practices		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.4 Labour practices issue 2: Conditions of work and social protection		
406: Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	6.3 Human rights		Supply Chain Management Compliance Respecting and Protecting Human Rights
		6.3.6 Human rights issue 4: Resolving grievances		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
407: Freedom of Association and Collective Bargaining				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.3 Human rights		Respecting and Protecting Human Rights Supply Chain Management
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.4.5 Labour practices issue 3: Social dialogue		

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408-1	Operations and suppliers at significant risk for incidents of child labor	6.3 Human rights		Respecting and Protecting Human Rights Supply Chain Management Procurement Policy
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
409: Forced or Compulsory Labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.3 Human rights		Supply Chain Management Procurement Policy Respecting and Protecting Human Rights
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.10 Human rights issue 8: Fundamental principles and rights at work		
410: Security Practices				
410-1	Security personnel trained in human rights policies or procedures	6.3 Human rights		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.4.3 Labour practices issue 1: Employment and employment relationships		
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		

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411-1	Incidents of violations involving the rights of indigenous peoples	6.3 Human rights		
		6.3.6 Human rights issue 4: Resolving grievances		
		6.3.7 Human rights issue 5: Discrimination and vulnerable groups		
		6.3.8 Human rights issue 6: Civil and political rights		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
412: Human Rights Assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	6.3 Human rights		Supply Chain Management
		6.3.3 Human rights issue 1: Due diligence		
		6.3.4 Human rights issue 2: Human rights risk situations		
		6.3.5 Human rights issue 3: Avoidance of complicity		
412-2	Employee training on human rights policies or procedures	6.3 Human rights	1 Support and respect for human rights	Respecting and Protecting Human Rights
		6.3.5 Human rights issue 3: Avoidance of complicity		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	6.3 Human rights		Supply Chain Management Procurement Policy
		6.3.3 Human rights issue 1: Due diligence		
		6.3.5 Human rights issue 3: Avoidance of complicity		
		6.3.6 Human rights issue 4: Resolving grievances		
413: Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	6.3.9 Human rights issue 7: Economic, social and cultural rights	8 Initiatives to promote greater environmental responsibility	Community Activities Compliance Environmental Contributions
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.8 Community involvement and development		
		6.8.5 Community involvement and development issue 3: Employment creation and skills development		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		

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		6.5.3 Environmental issue 1: Prevention of pollution	8 Initiatives to promote greater environmental responsibility	
		6.5.6 Environmental issue 4: Protection of the environment, biodiversity and restoration of natural habitats		
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414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria			Supply Chain Management Procurement Policy
414-2	Negative social impacts in the supply chain and actions taken			Supply Chain Management Procurement Policy
415: Public Policy				
415-1	Political contributions			Compliance
416: Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	6.3.9 Human rights issue 7: Economic, social and cultural rights	9 Development and diffusion of environmentally friendly technologies	Supporting Product Safety and Quality Customer Service
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
		6.7 Consumer issues		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.3.9 Human rights issue 7: Economic, social and cultural rights		Supporting Product Safety and Quality
		6.6.6 Fair operating practices issue 4: Promoting social responsibility in the value chain		
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		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
		6.7.5 Consumer issue 3: Sustainable consumption		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		
417-2	Incidents of non-compliance concerning product and service information and labeling	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.4 Consumer issue 2: Protecting consumers' health and safety		
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		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
		6.7.9 Consumer issue 7: Education and awareness		
417-3	Incidents of non-compliance concerning marketing communications	6.7 Consumer issues		
		6.7.3 Customer issue 1: Fair marketing, factual and unbiased information and their contractual practices		
		6.7.6 Consumer issue 4: Consumer service, support, and complaint and dispute resolution		
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418: Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.7 Consumer issues		Information Security
		6.7.7 Consumer issue 5: Consumer data protection and privacy		

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419-1	Non-compliance with laws and regulations in the social and economic area	6.6 Fair operation practices		Supporting Product Safety and Quality Compliance
		6.6.3 Fair operating practices issue 1: Anti-corruption		
		6.6.7 Fair operating practices issue 5: Respect for property rights		
		6.8.7 Community involvement and development issue 5: Wealth and income creation		